DOCUMENT RESUME

ED 082 610 HE 004 614

AUTHOR	Weiss, Carol H.
TITLE	The Consequences of the Study of Federal Student Loan Programs: A Case Study in the Utilization of Social Research.
INSTITUTION	Columbia Univ., New York, N.Y. Bureau of Applied Social Research.
SPONS AGENCY	Office of Naval Research, Washington, D. C. Group Psychology Branch.
REPORT NO	NOO-14-67A-0108-0006; NR-170-174
PUB DATE	Oct 70
NOTE	147p.
EDRS PRICE	MF-$0.65 HC-$6.58
DESCRIPTORS	Case Studies; *Educational Finance; *Federal Aid; *Financial Support; *Higher Education; Social Sciences; Student Costs; *Student Loan Programs

ABSTRACT

This report traces the consequences of a study of federal student loan programs. The first chapter outlines the events that led up to the Loan Study, the nature of the questions posed, and government preparations for letting a contract for the study. Chapter 2 describes the conduct of the Loan Study: the development of a proposal, the beginning of study activities, and the pursuit of two tracks of investigation. Chapter 3 traces the decisionmaking on the future of loan programs. The fourth chapter identifies factors that facilitated and constrained utilization of the Loan Study. Appendices include related data. (MJM)

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COLUMBIA UNIVERSITY

BUREAU OF APPLIED SOCIAL RESEARCH

THE CONSEQUENCES OF THE
STUDY OF FEDERAL STUDENT
LOAN PROGRAMS

A Case Study in the Utilization
of Social Research

Carol H. Weiss

U S DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

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BUREAU OF APPLIED SOCIAL RESEARCH

Columbia University

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A Case Study in the Utilization of Social Research

Carol H. Weiss

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The Columbia-ONR Project on the Uses of Sociology

Bureau of Applied Social Research
Columbia University

October 1970

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TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

ERIC

ACKNOWLEDGEMENTS

The information in this report comes largely from the participants in the research and in its subsequent consideration for administrative and legislative decision-making. They were uniformly magnanimous with their time, information, and commentaries. It would be hard to imagine a more cooperative and insightful group of informants.

Deep thanks go to James W. Moore, Director of the Division of Student Financial Aid, Office of Education; John I. Kirkpatrick, study director, College Entrance Examination Board; Peter P. Muirhead, Associate Commissioner for Higher Education, Office of Education; John F. Morse, director, Commission on Federal Relations, American Council on Education; George and Patricia Nash, Bureau of Applied Social Research, Columbia University; Charles Lee, professional staff member, Senate Subcommittee on Education of the Committee on Labor and Public Welfare; Roy H. Millenson, Minority Clerk, Senate Subcommittee on Education; William Gaul, Associate General Counsel, House Committee on Education and Labor; George Warner, Chief, Student Loan and Scholarship Branch, Bureau of Health Professions Education and Manpower Training, Public Health Service; David C. Bayer, Chief, Guarantee Agencies Section, Insured Loans Branch, Division of Student Financial Assistance, Office of Education; Samuel Halperin, Deputy Assistant Secretary for Legislation, Department of Health, Education, and Welfare; Donald C. Parks, Executive Officer, Division of Health Manpower Educational Services, Bureau of Health Professions Education and Manpower Training, Public Health Service.

For further information, we wish to thank Mrs. Betty Pryor, Commission on Federal Relations, American Council on Education; Donald Hirsch, Special Assistant to General Counsel, General Counsel's Office, Department of Health, Education and Welfare; Mrs. Corinne Graves, Assistant to Chief, Student Loan and Scholarship Branch, Bureau of Health Professions Education and Manpower Training, Public Health Service; Don Berens, administrative assistant, House of Representatives Special Subcommittee on Education; Ann Pasanella, Assistant Director of Research, College Entrance Examination Board; Robert Barkley, former staff member, Health Subcommittee, Senate Labor and Public Welfare Committee; James Menger, professional staff member, House Interstate and Foreign Commerce Committee.

I also wish to thank my colleagues on the Utilization project at the Bureau of Applied Social Research, particularly Professor Paul F. Lazarsfeld for his stimulating comments and Joel Brooke for his cheerful help.

<u>Note</u>: Positions and titles are given as of January 1969.

INTRODUCTION

Utilization: Search for a Meaning

The investigation reported in this paper is part of a project on "The Utilization of Social Research." The intent of the project is to increase our understanding of what happens to research studies after they are completed. How are they "used?" Under what circumstances are they used? What problems interfere with their utilization?

In recent years, an increasing amount has been written on researh utilization.* Scholars have analyzed the roles of social scientists, speculated on the effects of the social organization of research, made beginnings in the study of clients and potential users of research, their values, valuations, communications behavior, and utilization activities. Policy and operations in substantive fields have been examined in an attempt to assess the contribution of social science research. Much of the writing has been subjective, most of it impressionistic, a good deal polemical.

From the welter of information and opinion, some critics conclude that the pay-off of social research is small. At the extreme, some say research is not only rarely utilized but rarely worth utilizing. Others, more scholarly, are using the growing body of information to develop

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*Three of the best recent anthologies are Paul F. Lazarsfeld, William Sewell, and Harold Wilensky (eds.), The Uses of Sociology, Basic Books, 1967; Elisabeth T. Crawford and Albert D. Biderman (eds.), Social Scientists and International Affairs, Wiley, 1969; Research and Technical Programs Subcommittee of the Committee on Government Operations, U. S. House of Representatives, The Use of Social Research in Federal Domestic Programs, Ninetieth Congress, 1st Session, Parts I-IV, 1967.

theoretical understanding of the processes of utilization, a sociology of social research. Practical-minded writers are trying to extract principles that will increase the use of research. Lists of necessary preconditions for use include such various items as close contact between client and researcher during the study, the existence of an emergency situation facing the client, availability of money and resources in the user organization, attractive and competent presentations of results, engagement of the researcher in post-research decision-making, and many more.

With all the writing that has been done, it is surprising to find that little actual research has been done on the extent to which social research is used or what makes some research used and some languish neglected. The most common discussion is still the case history of research that the writer has been involved in. The prevailing tone (despite all the recognition of external constraints) remains one of hurt that research results were not more effectively applied.

That so little research on utilization has been done suggests the complexities of such study, not only methodologically but conceptually as well. As Paul Lazarsfeld has said, utilization is an empty word. What does it mean? Is the only bona fide use that which takes research results and interpretations and applies them directly to the intended practice or policy? But no research solves all the questions. Decision-makers inevitably face dilemmas arising from cost, politics, timing, public acceptance, sudden (post-research) changes, the application of abstract propositions to a concrete situation. How much effect should research have before it can be considered "used?" What of research that raises new issues or leads to redefining of existing issues? Or research that leads to further research? What are the varieties of meaning that inhabit the word "utilization"?

Are there non-scientific uses of research that deserve to be considered utilization? Research can provide "social vindicators" for a federal program. It can succeed in postponing an awkward problem, or shunting responsibility for it. "Basic" research sponsored by a federal agency can lend prestige to the grantors and encourage further Congressional appropriations. The research has had utility. Its consequences in the real world, however nonrational, have achieved some of the sponsor's objectives. Where must research purpose and outcome intersect before we can talk of utilization?

As one step toward specification of the meanings of utilization, we undertook to trace the consequences of several research studies. This report describes the consequences of one such study, "The Study of Federal Student Loan Programs."

The Student Loan Study was conducted by the College Entrance Examination Board with the assistance of the Bureau of Applied Social Research under contract with the Office of Education.

As expressed in the task statement, this study was designed to "gather information and evaluate factors bearing on the organizations and operations of federally supported student loan programs. The evaluation will cover administration of the student loan programs, the problems of student loan collections, and other significant areas of student loan operations. In total, the study will develop and propose measures to make federally assisted student loan programs best serve the Nation's broad educational objectives."* The study began in April 1967 and the

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*"Task Statement for the Study of Federal Loan Programs," Appendix A, in A Study of Federal Student Loan Programs, College Entrance Examination Board, 1968.

report was submitted to the Office of Education in January 1968. The budget for the study was $125,304.

Organization of This Report

The report is divided into four chapters. The first chapter outlines the events that led up to the Loan Study, the nature of the questions posed, and government preparations for letting a contract for the study. There follows a chronology of the events of the Loan Study from its-gleam-in-the-eye stage to its impact on later events. The chapter concludes with a discussion of the themes that appear in our chronicle of utilization of the Loan Study results.

Chapter 2 describes the conduct of the Loan Study: the development of a proposal, the beginning of study activities, and the pursuit of two tracks of investigation. The two lines of study merged in the development of recommendations for government action and the preparation of the study report.

Chapter 3 traces the decision-making on the future of loan programs. The first section describes steps taken in the Office of Education while the study was in progress. Following sections detail responses to the Loan Study report and subsequent actions by the Office of Education and the House and Senate subcommittees on education that culminated in passage of new loan legislation, the Higher Education Amendments of 1968. Loan legislation in the health field is administered and legislated by different bodies. Succeeding sections therefore, are devoted to the responses to the Loan Study and activities of these groups--the Public Health Service and the cognizant Congressional committees. The chapter continues with an assessment of the effect of survey data on the fate of Loan Study recommendations for legislation. The final section discusses non-legislative effects of the study.

The fourth chapter attempts to identify the factors that facilitated and constrained utilization of the Loan Study.

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CHAPTER I

PRELUDE TO THE STUDY

The mandate to "gather information and evaluate factors bearing on the organization and operations of federally supported student loan programs" involved six different loan programs in effect at the time of the study.

In 1958 the Congress passed the National Defense Education Act. Title II of the act established a program of long-term low-interest loans to students in institutions of higher education who had financial need. Under provisions of the National Defense Student Loan Program (NDSLP), the federal government contributes 90 per cent of the principal and the institution contributes 10 per cent. The program is administered federally by the Office of Education through the Division of Student Financial Aid, which distributes funds annually to colleges and universities. The colleges lend the money and collect the loans.

Students with superior academic background receive special consideration. Undergraduates can borrow up to $1,000 a year with a maximum of $5,000. Graduate and professional school students can borrow up to $2,500, with a maximum (including both undergraduate and graduate loans) of $10,000. A loyalty oath is required. The student does not repay the loan (and no interest accrues) until after he has terminated his education. Repayment is deferred and interest suspended during military service, Peace Corps, and VISTA service. When the student has completed his studies, he repays the capital and pays interest of 3 per cent per year. In 1964, eligibility for loans under the NDSLP was extended to students carrying at least half-time academic programs.

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For students entering the teaching profession, up to half of the loan will be cancelled at the rate of 10 percent for each year of teaching. Through 1965 and 1966 amendments, teachers in low-income school districts and teachers of handicapped children receive cancellation of the entire loan, at the rate of 15 per cent per year.

The program has been enthusiastically accepted and used by the institutions of higher education and by students and their parents. Over 1 billion dollars in loans have been made to students at over 1700 schools. As intended, the National Defense Loans have generally gone to students from lower-income families* and enabled many to attend college who would otherwise have been unable to meet the costs.

In 1961 and 1962 a special loan program for Cuban refugees was enacted. In 1963 its terms were made to correspond generally with those of the National Defense Student Loan Program, although with special considerations. Administration is through the Office of Education, but a segment is operated by the Public Health Service.

In 1963, the Health Professions Educational Assistance Act authorized loans for students in medicine, osteopathy, dentistry, and subsequent legislation added /other health professions. The Bureau of Health Manpower of the Public Health Service administers the program. There was a higher ceiling on loans ($2,500 rather than $1,000 for any one academic year), interest was higher (the "going Federal rate" set by the Secretary of the Treasury). Forgiveness of the total loan was authorized for practice in a low-income

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*Approximately 70% of borrowers were from families earning $6,000 a year or less. Nash, George, "Student Financial Aid--College and University," Encyclopedia of Educational Research, Fourth Edition.

rural area, and forgiveness of part of the loan for practice in an area designated as having a shortage of the given professional service.

Loans for nursing students were authorized in 1964. The Nursing Student Loan Program, too, is administered by the Public Health Service. Borrowers who work full-time as professional nurses in public or non-profit institutions or agencies received cancellation of up to half the loan at the rate of 10 per cent each year.

By 1965, the student loan structure was complex, but apparently operating to the satisfaction of the students and the educational institutions. However, several important factors were pressing on the student loan system. First, it was becoming clear that the amount of funds made available for loans would have to continue to increase drastically; both the costs of education and the proportion of youth going on to higher education were increasing over time. Second, the federal budget--particularly with increasing defense appropriations for the Vietnam conflict--was not likely to increase allocations for student loans at anywhere near the needed rate. Third, there was a pervasive sense that the private sector of the economy, in this case the lending institutions of the nation, should participate in student loans. Lending money was their business; through government reinsurance of loans, risk would be eliminated, and the supply of money for educational loans would be greatly expanded.

Another set of factors was operating. Middle-income parents were asking for some relief from the heavy expenses of higher education. The then-current loan programs for undergraduates were for lower-income people, but what about the $10,000 or $15,000 family with two children in college at a cost of $2,000-$3,000 per year per child? Senator Ribicoff,

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among others, was pressing for tax deductions for families with children in college. The administration opposed the plan, because the individual family would recover only a small fraction of its outlay (and colleges might well raise tuition, since the extra cost would be painless). Treasury estimates of lost revenue by the second year reached $1.3-1.5 billion. The Treasury would consider the sum lost in taxes as financial aid to students and could be expected to limit other aid programs, especially for low-income students.

To meet both sets of pressures, the Guaranteed Student Loan Program (GSLP) was established in 1965. This program, rather than using federal money, provided for government guarantee of loans made to students by lenders. The federal government subsidized the total interest (set at 6 per cent) during the student's enrollment in school and subsidized half the interest (3 per cent) during the repayment period for students with an adjusted family income of less than $15,000. Students from higher income families paid full interest.

The GSL program was administered by state agencies, or in states where state agencies were not yet operating, by a private agency under contract to the state government or to the Office of Education, or as a last resort, under a direct federal insurance program administered by the Office of Education. The Office of Education advanced "seed money" to state agencies to help them guarantee loans by banks in their state.

The Vocational Student Loan Insurance Act of 1965 provided an insured loan program, similar to GSLP, to students in accredited public and proprietary vocational schools.

The Guaranteed Loan Program did serve middle-income students as intended. Of the loans processed by December 1967, half were made to students whose families earned $6,000-$12,000 a year.

But in other ways the program fell short of expectations. The states that did not have a functioning state agency prior to the enactmect of the federal program were slow in getting the program started and many took no action at all. Lending institutions were far from enthusiastic about participating in the program. Money became very tight just about the time that the program began operation (1965-66) and the number of lending institutions making student loans was lower than expected.

But even before the Guaranteed Student Loan Program went into effect, harrassed federal budget-makers saw the program as a way to reduce allocations for educational loans. In July 1965 the Bureau of the Budget sent out an edict to government agencies preparing budget requests for fiscal year 1967 to reexamine budgets carefully. If possible, new programs that cost less money should be substituted for old programs. The Bureau of the Budget people and the Department people in HEW realized that the National Defense Student Loan Program and the soon-to-be-enacted Guaranteed Student Loan Program were very similar and would in essence serve the same purpose. In the fall of 1965, a decision was made high up in HEW to replace the NDSLP with the GSLP in order to save $190 million from direct appropriations. As a result HEW budgeted no money for National Defense Student Loans in its fiscal year 1967 budget.* Although there was great opposition to the termination of the NDSL

*For a full discussion of this act, its antecedents, and the controversy it engendered, see Basil J. Whiting, Jr., "The Student Loan Controversy," Public and International Affairs, Vol. V, No. 1, Spring 1967, pp. 5-42.

Program within the Office of Education, the HEW budgetary proposal represented acquiescence to the Bureau of the Budget and the White House. The private sector, through the GSLP, was to take over.

The outcry was immediate. The NDLSP had political sex appeal. It had worked well since 1958, had about 1-1/4 million borrowers, most of whom had voting parents. The American colleges--over 1600 of them were participants in the program--rose up in righteous indignation. They depended on the NDSLP. What about students currently on loans? Were they to be cut off? There was no way of knowing whether bank loans would work at all, and if that program fell flat, where would the students and the institutions be? Letters poured in to the Congress.

Mrs. Edith Green, chairman of the House Special Subcommittee on Education was particularly angry. The National Defense Student Loan Program, which had enabled over a million poor youth to attend college, was one of the subcommittee's favorite programs. Moreover, the Republican members of the House were not disinclined to make political capital out of the issue.

The Congress, largely through the efforts of Mrs. Green and Mr. Fogarty of the Appropriations Committee, restored the original level of authorization ($190 million) for NDSLP. Actual appropriations were $179 million. The Congressional move "broke the President's budget," i.e. appropriated more than administration requests. The President was not pleased. He was annoyed at HEW for leaving him in a politically untenable position.

Origin of the Study

Secretary John Gardner of HEW was anxious to avoid traps of this sort again. Moreover, loan programs had gone into operation in the health field and were being proposed in other areas, and as loan programs proliferated, he wanted information on which to base effective planning. Both political and administrative considerations made a study seem useful. Secretary Gardner sent a memo to Commissioner of Education Harold Howe II in spring 1966 asking for an outside study of federal student loan programs, to be jointly financed by the Office of Education and the Public Health Service. The Office of Education began to develop plans for the study in spring and summer 1966.

It was in the same summer of 1966 that the Guaranteed Loan Program was launched. It was also a time of tight credit. There was some immediate feedback from irate parents that banks wouldn't lend money. The Higher Education Amendments of 1966 included an amendment, introduced by Senator Brewster of Maryland, directing the Commissioner of Education to study the loan insurance program.

> The Commissioner of Education shall make an investigation and study to determine means of improving the loan insurance program...particularly for the purpose of making loans insured under such program more readily available to students. The Commissioner shall report the results of such investigation and study, together with his recommendations for any legislation necessary to carry out such improvements, to the President and the Congress no later than January 1, 1968.

Because plans for a study of loan programs were already under way, it was not necessary for the Office of Education to contract for a separate study. Instead the GSLP, although very new, was included in the study plans.

An advisory committee was set up within the Department with representatives from the Office of Education, the Public Health Service, and the Comptroller's Office, to define the study's tasks and recommend procedures for awarding the contract. Meetings were going on during the height of the budget conflict, and it was inevitable that the committee was concerned with a shift to private funding of student loan programs, its feasibility, and the administrative burdens for the federal government of auditing, accounting, and reporting.

Another topic that received considerable attention was the amalgamation of the administration of all six loan programs in one administrative unit. Secretary Gardner was pressing for greater order and rationality within the jerry-built structure of the department, and common administration of the loan programs seemed a reasonable move.

During the summer of 1966, the advisory committee drew up a list of possible contractors for the study. Names on the list were largely those of management consultants--Booz, Allen and Hamilton; McKinsey and Co.; Cresap, McCormick, and Paget, etc. In the undated document that lists these firms, the deadline for submission of study proposals was September 16, 1966. But talk in the department dragged on for months. What James Moore, Director of Student Financial Aid, Office of Education, calls "bureaucratic muddling" went on for the rest of 1966 concerning just what the study should study and who was going to pay how much toward its cost. In January and February 1967 final decisions were made. A "request for proposal" (RFP) was written in the Office of Education. The study was to look into matters of policy as well as procedures, and a new list of prospective bidders was drawn up. Non-profit agencies with knowledge about education--rather than commercial consulting firms--were asked to submit proposals. It was on this list that the CEEB was included. A bidders' conference was held, and negotiations took place with a number of agencies.

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The task statement for the study outlined federal policy on student loans: (1) the federal government has fostered student loans to needy students and is now extending benefits of loans to students from middle-income families "so that additional students will attend college," and (2) "federal policy is to minimize direct loans financed from the Federal Treasury, and maximize loans through private financial sources," with federal guarantees and subsidies to keep the cost to the student low.

The objectives of the study, as stated by the Office of Education, were to collect information about, and evaluate, the federal loan programs--their organization, operation, and administration--in relation to the policy guides given above. Furthermore, the study was to make proposals for improving student loan programs.

Several key coverage areas were itemized. These included (1) administrative structure, responsibilities, and relationships, (2) operating responsibilities of the educational institution, lending institution, and loan guarantee agency, (3) administration of student loan forgiveness because of teaching, practice of medicine in rural areas, or other public service which the Congress has determined to be eligible for forgiveness, (4) factors affecting the supply of private credit, (5) measures that will assure loans to applicants with financial need under credit shortage conditions, (6) special problems of private credit for minority groups and families without established credit records. A pervasive emphasis is the transition to private funding of the loan programs and the examination of arrangements that will ensure fairness, efficiency, and operating harmony.

See Appendix A for the complete Task Statement for the Study.

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The CEEB Proposal

When the College Entrance Examination Board received the "request for proposal" from the Office of Education, staff evinced interest in undertaking the type of study described. John I. Kirkpatrick, director of CEEB's College Scholarship Service, who was to become Study director, made a pencil note, "We could use this to become experts in field."

Mr. Kirkpatrick and two other staff members of CEEB attended the briefing meeting held on February 24, 1967 by the Office of Education to discuss the projected study--the government's concerns, issues to be covered, financial arrangements, schedule and deadlines. It became clear that OE expected a survey of colleges' experience with loan administration and their opinions of improvements needed in the programs. The meeting confirmed the CEEB staff's interest in undertaking the study, particularly when OE's original deadline for completion of the study was moved from September 30, 1967 to December 31, 1967.

The decision was made at CEEB to proceed with the proposal. John I. Kirkpatrick would plan the study and write the proposal, since federal loan programs were closely related to his responsibilities as director of the College Scholarship Service. The major function of the College Scholarship Service is the development and administration of a system for determining the financial need of college students. It reports the family's financial circumstances to the educational institutions to which the student has applied.

Mr. Kirkpatrick was new to the position, having joined the staff on February 1, 1967 with the title of Vice President. He was not new to CEEB. He had been a Trustee, and for 16 years served as chairman of the Finance Committee. His previous employment was largely in university financial administration--as vice president and treasurer of Pace College, vice president and treasurer of Lehigh University, and vice chancellor for administration at the University of Chicago. He also had nine years of banking experience with the Irving Trust Company.

A meeting was scheduled for March 3, 1967 between staff of the CEEB and the Division of Student Financial Aid of the Office of Education to continue discussions on the proposal. A few days before the meeting, Kirkpatrick called George Nash of the Bureau of Applied Social Research. He told Nash about the projected study and asked if he would be interested in working on the survey of colleges that OE wanted. When Nash expressed interest, he was invited to join the CEEB delegation to the meeting on March 3 with OE in Washington.

How did the Bureau of Applied Social Research come into the picture? Paul F. Lazarsfeld, former director and chairman of the Administrative Board of the Bureau, had long been a member of the CEEB Committee on Research and Development. The CEEB and the Bureau had worked together on previous studies. The most recent cooperative study dealt with financial aid policies and practices and the emerging profession of financial aid officer.* George Nash, the Bureau director of that study, thus had relevant survey experience in the financial aid field and contacts with CEEB staff.

Nash was a sociologist. Working with him would be his wife, Patricia, also a sociologist at the Bureau of Applied Social Research. The Nashes had collaborated on a series of studies at the Bureau, on

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*George Nash, with the collaboration of Paul F. Lazarsfeld, New Administrator on Campus: A Study of the Director of Undergraduate Financial Aid, Bureau of Applied Social Research, 1967.

topics ranging from Skid Row to the Peace Corps to the reactions of New Yorkers to the 1965 blackout.

On March 3, the meeting between OE and CEEB was held in the office of the Director of Student Financial Aid of OE, James Moore. Staff of the two agencies discussed the requirements of a study of the loan field. The discussion was Nash's first exposure to the issues and problems of the study. His notes of the meeting show the uncertainties at this stage about how data shall be collected. The notes say:

"Could ~~held-meet~~ send questionnaires [cross-out in original notes]

Could go back and do a group basis--based on the results of the questionnaires maybe

Personal interview
50 interviews done x 10 people

Banks--group interviews"

In the following days, the proposal for the study on student financial assistance took shape Kirkpatrick leaned toward interviews and conferences as the methods for data collection. Nash pressed for the extensive use of structured mail questionnaires. His suggestion that educational institutions be surveyed in toto, rather than on a sample basis, was included in the proposal. James Moore of OE was also in favor of the 100% sample of educational institutions. On the other hand, Kirkpatrick in a letter dated April 28, 1967 to Robert P. Huff, Director of Financial Aid, Stanford University, wrote: "I agree completely with you that we may get more wisdom and help from a hundred wise heads than from 2800 wise and not-so-wise heads. The U.S.O.E. asked us specifically to cover the entire waterfront, including unaccredited and junior colleges . . ."

On March 7, CEEB called in a small group of educators and a banker to talk over the study plans. Then on March 13, Kirkpatrick submitted the proposal to the Office of Education, including a subcontract to the Bureau for preparing and processing questionnaires. On the same day Nash wrote a "proposal letter" to Kirkpatrick outlining the work that the Bureau of Applied Social Research was prepared to do on the questionnaires and giving a budget.

The CEEB proposal called for the collection of data and opinions from (1) the Office of Education and the Public Health Service (PHS) in Washington, (2) the regional offices of HEW, (3) colleges and universities, (4) vocational schools, (5) schools of nursing, (6) medical and other health professions schools, (7) state and private guarantee agencies, (8) United Student Aid Funds, (9) lending institutions, and (10) students and parents.

For the schools (3,4,5, and 6), the lending institutions (9), and the students and parents (10), questionnaires were to be used. But in none of these cases would questionnaires be the <u>only</u> technique for collecting information. They would be "followed by in-depth personal interviews where considered desirable and group meetings."* The questionnaires would be "prepared, followed up and processed by a professional Bureau under the supervision of CEEB," while the "CEEB staff plus outside consultants will handle the individual interviews and group meetings on a regional basis."**

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*CEEB, Proposal for Study Submitted to the U.S. Commissioner of Education, "A Study of the Administration of Federally-Assisted Student Loan Programs," March 13, 1967, Revised March 30, 1967, p. 10.

**<u>Ibid</u>.

The Bureau sub-contract was only in a limited sense to be a self-contained study. CEEB saw the questionnaires rather as a technical adjunct, which would then form the basis for meatier analysis through interview and conference. For some respondents--for example, staff of OE and PHS and state and private guarantee agency personnel--only interviews were planned.

The CEEB proposal outlined two phases of work to follow the collection of information and opinions. These were, first, the interpretation of the data and the development of "a best set of plans" for federal loan programs. This would be done through discussions with representative groups of relevant institutions and agencies. Secondly, the best set of plans would be presented to a National Advisory Committee of the study for review and approval, and then to the senior officers of CEEB for their review and approval.

The budget request was approximately $160,000. This exceeded the $110,000 that the Office of Education had available. In negotiations it was agreed to eliminate some of the review of administrative structure, reporting, and processing. Agreement was reached on a budget of $125,000. The proposal was revised in accordance with the agreement and re-submitted on March 30, 1967. On April 13, OE notified CEEB by telegram that they had been awarded the study contract.

The CEEB then formally subcontracted the questionnaire survey to the Bureau of Applied Social Research. The amount budgeted in the proposal was $27,000; Nash's proposal letter, which Kirkpatrick now agreed to, called for $27,600. (With the subsequent addition of questionnaires to lending institutions and to student borrowers, the total Bureau costs would finally come to $35,000.)

Chronology - Phase I.

The study was ready to begin. The following table summarizes the events that led up to the start of the study.

Phase I. Prelude to the Study

Congress	Office of Education	College Entrance Examination Board	Bureau of Applied Social Research
1958-Enactment of National Defense Student Loan Program (NDSLP)			
1961-2-Student loans made available for Cuban refugees			
1963-Enactment of Health Professions Student Loan Program (HPSLP)			
1964-Enactment of Nursing Student Loan Program (NSLP)			
1965-Enactment of Guaranteed Student Loan Program (GLP) -Enactment of Vocational Student Loan Program	HEW agrees to Administration budget proposal that terminates NDSLP in FY 1967.		
1966-Congress renews NDSLP authorization, overriding HEW. -Brewster Amendment calls for study of Guaranteed Loan Program	Secretary Gardner asks Commissioner Howe to have an outside study made of federal loan programs. HEW committee defines study tasks.		
1967	Jan.-Feb. OE writes "Request for Proposal," holds bidders' conference.		
		March-CEEB writes study proposal.	March-Bureau participates in development of CEEB proposal.
	April-Contract is signed for study.	April-CEEB subcontracts questionnaire surveys to Bureau.	

Themes

This was a particular kind of study, an investigation made to order to answer fairly specific questions that the government had framed. It was policy-oriented. It was expected to produce recommendations and a set of plans.

Furthermore, it was to be largely a survey of experience and opinion. The study was not to concern itself with the <u>effects</u> of the loan programs. Except for the NDSLP, federal loan programs were too new for there to be many effects to gauge. In order for the study to provide information on the operation of the new programs, it would inevitably rely on informal judgments.

With all its special features of origin, time, and purpose, the life history of the study illustrates some issues in research utilization that appear to be endemic. Four of these issues that will appear in the narrative deal with: the seriousness with which the client anticipates relying on study results, the study's relevance to the issues on which decisions will be made, the timing of the decision-making calendar, and the shift in issues and circumstances that occur while the study is in progress.

<u>Anticipated reliance</u>. The use of research to postpone a decision is a common enough phenomenon to have passed into folklore, second in importance as a delaying tactic only to appointing a committee. But there are cases where the client awaits the results of a study impatiently so that he will know what action to take. In between the extremes, there are all shades of anticipated reliance on research. In this study, the seriousness of intent was clear. The policy-makers were the clients for

the study. Both the Office of Education and the Congress awaited the results, if not breathlessly at least with clear interest. As we shall see, the House Special Subcommittee on Education prodded the Office of Education for release of the report. No one was prepared to accept the study uncritically, but all the actors were anxious to listen. There was general confidence in the expertise and objectivity of the College Entrance Examination Board and its prestige in the education field.

However, reliance on the study was tempered by another factor--the plowed field phenomenon. Many issues of the study had been around for a long time and the ground had been plowed over and over. Most decision-makers had pretty well crystallized their opinions (although the crystallized opinions differed). Unless new information was forthcoming, which wasn't too likely in a study of existing opinions, the latitude for change was small.

Decision relevance. That there was a decision to be made was indisputable. New student loan legislation would almost certainly be passed by the Ninetieth Congress, and the whole gamut of legislative provisions would be reviewed.

The translation of the issues into answerable questions is often a phase at which things go awry. There may be a shift away from the matters that decision-makers want to know toward concepts that are theoretically interesting or easily measurable. Here the translation was routine. No sociological concepts, no theoretical constructs, were involved. The Office of Education wanted to know, for example, if there were special problems in assuring private credit to minority groups, and the questionnaires asked both lending institutions and educational institutions, "From the experience of your institution, how much trouble

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do racial minority group students have getting guaranteed loans (of those who are legally eligible for them)?"

Another kind of problem of relevance did arise. The Bureau surveys relied to a large extent on the opinions of officials in educational institutions and lending institutions. On controversial questions, decision-makers raised questions about the worth of these opinions. What they wanted was hard evidence of effect. Thus, for example, the surveys produced data on what people thought the maximum total of loans for a student should be. But key people discounted such "data." They wanted to know what the effects of loans of different amounts were on the postgraduate lives and careers of different kinds of students.

Timing. Research results and decisions have to match up in time. Here, the timing of the study was out of phase in terms of the legislative planning cycle. The months that were lost at HEW in late 1966 planning the study put the study about four months behind the major decision-making for legislative proposals. Even as it was, the study was overly rushed, foreclosing any opportunity to do more intensive research.

Just as the over-all study was on a hectic schedule, so was the Bureau questionnaire survey. It produced its data in remarkably short time, and the marginals were used in developing final recommendations. But the cross-tabulations were completed at a time when little attention could be devoted to them.

Ground shift. One of the more interesting phenomena that the Loan Study illustrates is the change in issues while a study is in progress. The ground shifts, the questions originally considered of primary significance are resolved or disappear, and new issues take their place. By the time the report produces data and recommendations to solve the original problems, the problems are no longer the relevant ones.

Here, the major legislative issue motivating the study was the search for a way to phase out the National Defense Student Loan Program in favor of the all-private Guaranteed Loan Program. Political shifts removed the issue from consideration. Similarly, the primary administrative issue at the outset was consolidation of administration of the loan programs. Secretary Gardner saw this as one maneuver in his mission to bring rationality and streamlined procedures to HEW. But staff committees met on the question while the study was in progress, and before CEEB completed its report, they decided to let the existing division of authority stand. The study did not catch up with the ground shift. Further, new issues came to the fore, such as what to do about loans held by student demonstrators and rioters, issues that were unforeseen in the study.

Even for research as compressed in time as this was--completed in nine months--the busy-ness in the field of study left it behind on a number of issues.

<u>The actors and their roles</u>. Another theme that emerges from the history of the study is the manner in which utilization of a study is influenced by the roles and the goals, the backgrounds, responsibilities and concerns of the different individuals concerned with the production and use of the data and the findings.

The CEEB study of student loan programs offers us special observational advantages because of the variety of people and roles involved in its production and utilization. There were Kirkpatrick at CEEB, Nash at the Bureau of Applied Social Research, Howe, Moore, and others at the Office of Education, Lovett and Warner of the Public Health Service, the members of the House and Senate subcommittees on education and the committee staffs. Final decisions on enactment of new legislation would be made by the whole Congress.

One of the aims of the history which follows will be to show how these different people reacted to and used the same data, in whole or in part, in different ways. In presenting this story considerable emphasis will be put on the data resulting from the questionnaires administered by the Bureau of Applied Social Research. It should be understood that this is not because these data had special significance in comparison to the research data produced through personal interviews and meetings. Our emphasis is on the questionnaire data, because, like irradiated injections, they are more readily identified and their paths are easily traced.

Chapter II

CONDUCT OF THE STUDY

The Study Begins -- April 1967

Kirkpatrick had several immediate matters to handle: recruiting staff for the study at CEEB and setting up the National Advisory Committee for the Study. Because of the time limits of the study, he turned to part-time consultants to do much of the staff work. These were largely knowledgeable people in the college loan field. They were supplemented by members of CEEB's regional offices.

The Advisory Committee, which was scheduled to meet twice to review the reports that would emerge from the study, was recruited from top figures in educational administration, banking, and related fields. As finally constituted, it was a prestigious body of 23, including college presidents, bank presidents, and an MIT physicist who headed the Panel of Educational Innovation of the President's Science Advisory Committee.

Work on the study began along two tracks. CEEB staff met with the Bureau of Applied Social Research to develop the survey questionnaires. Simultaneously, the CEEB began arrangements for its own data gathering through conferences and interviews to be run by its staff consultants.

Conduct of the Study: Track 1 -- the Bureau

The Nashes worked rapidly on the questionnaires. After review of the OE "task statement" and discussion with Kirkpatrick, they produced a draft questionnaire for colleges on April 15. This draft, eleven pages and 60 questions long, inquired into policies and practices for all loan programs, with particular attention to Guaranteed Student Loans.

Kirkpatrick circulated copies for comment to over two dozen advisors. These included staff at the Office of Education and Public Health Service, CEEB staff in regional offices, members of CEEB committees, and experts in specialized fields (e.g., nursing loans). A few of the advisors were uneasy about the use of financial aid officers as informants on both the institution's administrative practices for federal loan programs and views on how the programs could be improved. "I doubt that the financial aid officer is always best to do either," wrote one educator.

Another called the draft questionnaire "fairly superficial and very applied in its orientation," and he questioned whether such questions as those dealing with the type of students likely to be delinquent in repayment would be answered from "systematically examined records of delinquent students, or are the respondent's prejudices being plumbed?" Other advisors were more positive about the questionnaire approach. Many submitted detailed comments question by question. These ranged from the recommendation to omit questions on characteristics of financial aid officers and questions on the institution's organizational structure for aid, to technical suggestions for classifying responses about satisfaction with the National Defense Student Loan Program (very satisfactory, somewhat satisfactory, somewhat unsatisfactory, very unsatisfactory, can't say). Kirkpatrick marked up his own copy freely.

Separate questionnaires were developed for nursing schools, health professions schools (medicine, dentistry, etc.), and vocational schools.

Kirkpatrick and his staff conferred with accrediting groups for each type of school, and brought on expert consultants to review the questionnaires in terms of their relevance and utility for the specialized schools.

They held further conferences in Washington with James Moore and his staff in the Division of Student Financial Aid on the college questionnaire. Out of all the review activity, important suggestions emerged. In response, the Nashes made extensive revisions in the questionnaires. Items were dropped, combined, rewritten, added. But the tenor of the questionnaires did not basically change. They remained an inquiry into practices, opinions on strengths and weaknesses of the programs, and opinions on suggested changes.

During the revisions, Kirkpatrick offered a different type of suggestion. Rather than limiting investigation to reactions to existing programs, the questionnaire could include a "Master Plan" for federal student assistance. Respondents would then be asked for their opinions on its features and their probable actions under its conditions.

Given the Office of Education "Task Statement for the Study" (see Appendix A), such an approach appeared sensible. The Office of Education was laying as much emphasis, or more, on proposing measures for the future as on studying experience in the past. If there were a good idea for a "Master Plan" to start with, the responses of colleges and banks could assess it, elaborate on it, and improve it. The new plan could be pretested in the questionnaire.

Kirkpatrick laid out the features of such a Master Plan. A key aspect, given the then federal policy of minimizing direct loans financed from the Treasury, would be the substitution of the Guaranteed Loan Program for all other programs. The other main features were drawn from the North Carolina system, in which banks made a pool of money available to the state agency, and the state agency actually administered the loans.

Kirkpatrick tried to formulate questions around the Plan. On April 20, he drew up the following questions:

REVISION (4/20/67) OF QUESTIONS ON PAGES 10-11 OF USOE QUESTIONNAIRE

We should like to have your advice concerning the feasibility and desirability of a hypothetical plan.

SUPPOSE:

(1) That new funds were no longer available for the NDSL program.

(2) That the Guaranteed Loan program were set up with the same policies and procedures as NDSL.

(3) That the Guaranteed Loan program were financed centrally (by states, for example) by a pool of credit supplied by banks, credit unions, insurance companies, etc.

(4) That your institution applied for and received a certificate of entitlement providing for an allotment of funds.

(5) That your institution determined the amount of the loan for each student.

(6) That your institution forwarded the loan papers and notes to the central agency, for which in return you received the actual funds for crediting to students' accounts and/or turning over to students for various expenses.

(7) That the central agency undertook the responsibility for the collection of the loans.

In connection with the above hypothetical plan, please give your preliminary opinion in answering the next three questions. Your answers will be considered as opinions only, and definitely not as commitments in any way.

10. Would your institution deposit with the central agency a matching amount of 10 percent of the loan funds received by you, as you presently provide under NDSL, to bear a share of losses caused by defaults in payment?

    1. ( ) Yes 2. ( ) No 3. ( ) Don't know

11. If the answer to #10 is not "Yes," would your institution deposit 5 percent?

    1. ( ) Yes 2. ( ) No 3. ( ) Don't know

12. Would your institution be willing to contribute a small amount (perhaps $1 or $2 per loan) each year to the central agency to help carry the administrative costs of receiving, disbursing, and collecting the loan funds?

    1. ( ) Yes 2. ( ) No 3. ( ) Don't know

13. Please give us your opinion as to the acceptability of assumptions 2 through 7 listed above, and as to what weaknesses there are in this hypothetical plan.

The Master Plan question satisfied no one. The question could not take account of all the possibilities, the _if's_ and _when's_ for different kinds of schools in states with differing state agency arrangements. The whole idea of getting assessments of a new plan began to seem less useful when the necessity of specifying _all_ the conditions was faced. Kirkpatrick and Nash abandoned the question and the Master Plan. Instead, the research would limit itself to past experience and assessments of plans already in operation and derive its proposals from analysis of experience.

The Bureau continued its close consultation, item by item, with CEEB and then with the Office of Education as well. In the collaborative effort, six questionnaires were developed, pre-tested and sent out. Questionnaires were mailed to 2,444 colleges and universities, 325 vocational schools, 195 health profession schools, 532 nursing schools and

2,112 lending institutions. This included every institution of higher education in the country, vocational schools in the eleven states where a substantial number of guaranteed vocational student loans had been made (all the proprietary vocational schools and half of the public and non-profit schools in those states), all medical, pharmacy, dental, optometry, osteopathy, and podiatry schools, a sample of collegiate, hospital, and graduate schools of nursing, all large commercial banks and a sample of other commercial banks, savings and loan associations, mutual savings banks, and credit unions. Kirkpatrick played a large role in securing cooperation, and help in developing the sampling scheme, from the National League for Nursing, accrediting groups for business, home study, and technical schools, and the American Bankers Association.

In addition, a pilot study was done of student borrowers of the class of 1965 in the New York metropolitan area. Kirkpatrick convened an advisory group, called the Task Force on Student Attitudes toward Borrowing, which met to advise on the development of this survey. Questionnaires were mailed to 285 graduates who were paying off their National Defense Student Loan Program (NDSLP) loans, and 109 were returned. The results of this small-scale study were not available until February 1968, a month after the final report was submitted, but they were appended as a final chapter.

The first questionnaires began to go out in May. By June, 700 returns had come in from educational institutions. Nash had them coded and tabulated, and sent the basic figures to both the CEBB and the Office of Education before June was over.

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Nash devoted considerable time to analysis of the data. He produced cross-tabulations of responses by over a dozen different variables. Since almost none of these analyses were used or even referred to in later deliberations by CEEB staff on the study and its recommendations, it may be interesting to find out how they came to be done.

In Nash's original letter to Kirkpatrick on March 13, 1967 outlining the tasks that the Bureau was prepared to assume, he stated that he would produce "marginals" (the total answers to each question) and "certain, specified cross-tabulations" (breakdowns by such variables as type of institution and size of institution) of the responses to the questionnaire. His letter stated, "We will not do an exhaustive analysis."

During the summer of 1967, at least three different conferences between Nash and Kirkpatrick and Tom Brennan of the CEEB study staff discussed which cross-tabulations should be run. Nash remembers that Kirkpatrick and Brennan requested the cross-tabs. There are notes in the file of a meeting of Nash, Kirkpatrick, and Brennan on August 4 that list the cross-tabs agreed upon. The notes are in Kirkpatrick's handwriting. They include (for educational institutions) type, control, accreditation, enrollment, types of loan programs participated in, NDSL repayment delinquency rate, state,OE region, and for all GSLP questions, state and type of state guarantee plan. Other variables were added subsequently, such as per capita state income, time devoted to aid by financial aid director, satisfaction with GSLP.

That Kirkpatrick and Brennan were active in selecting these variables is obvious, but whether they actually initiated the extensive data analysis is not so clear. Neither man was a researcher by training or experience, whereas Nash came from Columbia's Bureau of Applied Social Research with its tradition of sophisticated data analysis. Nash apparently assumed that anybody would want to look at the responses in the context of relevant characteristics of the respondents, and asked not "Do you want any cross-tabs?" but "Which cross-tabs do you want?"

Many of the results of the analysis are informative. For example, they show the differing characteristics of schools that were most and least satisfied with the NDSLP and GSLP.* But these differences did not enter the discussions or seem to affect the formulation of recommendations. A possible exception might have been the issue of loan cancellation for students who subsequently became teachers. This was so controversial that Nash recommended, and Kirkpatrick was happy to accept, further runs identifying supporters and opponents of the practice. These runs were considered and quoted in the CEEB final report:

> ... A total of 34 percent of all respondents including 58 percent of the public universities responding to the questionnaire, stated that in their opinion the teacher cancellation provision had not increased the number of students in their institution who have gone into teaching. Of the respondents from teachers colleges, 38 percent concurred in this judgement.

But as we shall see, the analysis by type of school did not have much effect on the recommendation which CEEB developed on the issue of cancellation.

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*George Nash and Patricia Nash, "A Report of the Opinions and Practices of College Student Financial Aid Administrators and Bankers on the Federal Guaranteed Loan Program," November 1967, mimeographed.

There was another phase of the analysis that Nash believes might have altered the relevant recommendation in CEEB's final report, had it been taken seriously. This was the analysis of the success of the Guaranteed Loan Program (according to reports of schools and banks) by type of state agency. The data showed that the GSLP was apparently not performing well in a number of states with strong independent agencies. The creation and strengthening of an independent state guarantee agency did not appear to be the cure-all that the study recommendations would imply. But even when the data for each state and type of state agency were later discussed with Kirkpatrick, he was not convinced that Nash's interpretation was the only one possible, e.g., students go to school across state lines, and reports from an Illinois financial aid officer about students' difficulties in getting guaranteed loans may refer to difficulties in their home states, rather than in Illinois.

Why weren't the analytic data better used? Partly it was a matter of time, pressure, and rush. Possibly also it was a matter of complexity. There was great diversity by state and type of institution. Patterns did not come through clear and clean. Finally, it was a matter of fit. CEEB was focusing on the development of across-the-board recommendations that would influence legislation and policy. In the formulation of general recommendations, there was little room for analytic particulars. What difference did it make if private universities feel College Work-Study is less successful than do other schools, or more 2-year colleges find collection of loans a major problem? The recommendations, as envisioned by CEEB, could not deal with this kind of variation.* It would only be later, when the reports on each loan program reached the federal administrative agencies, that program operators would be concerned with such details.

Conduct of the Study: Track 2 -- the CEEB

CEEB meanwhile was pursuing other data collection activities. A large part of the CEEB inquiry dealt with issues not covered by the Bureau surveys. For example, CEEB called together a task force to plan interviews with directors of state guarantee agencies. The focus of inquiry was state practices. The five-man task force met on May 15, 1967 to decide on the kinds of questions to be asked and the procedures. Subsequent discussions were held with CEEB staff and with George and Patricia Nash. Some standardization was introduced into the interviews. An interview schedule was written for state agencies with questions on state operations, problems, and opinions regarding proposed modifications in the Guaranteed Loan Program. Interviewers tended to use the schedule as a general guide rather than as a structured research instrument.

Ten consultants conducted the interviews with directors of state guarantee agencies in 48 states and the District of Columbia. The records of the interviews went to consultant Jack B. Critchfield, dean of student affairs at the University of Pittsburgh and chairman of the task force on state agencies. On August 25, 1967, he submitted a

*The situation here illustrates one aspect of "decision relevance." Some of the survey analyses may have had relevance to issues in the loan program field, but they were evidently not seen as relevant by CEEB in preparing its report and recommendations.

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54-page "Summary Report of Interviews with State Loan Agencies." The narrative report focused mainly on issues of state operations (e.g., how the agency was established, actual administration of the loan program, state relations to the private United Student Aid Funds). It was a descriptive report of the interview replies, focusing on the effects of the different structural arrangements in the states. The basic conclusion in the report was that state administration of the loan plan is conducive to efficient operation and proper functioning. With a better return to banks, and streamlined administrative procedures, there will be sufficient private money to enable the Guaranteed Loan Program to serve effectively.*

Kirkpatrick and his consultants also held interviews with government staff and representatives of agencies and interest groups involved in loan programs. For example, in July he met with James F. Kelly, Comptroller of HEW, to discuss such issues as use of the FNMA-type of revolving fund to finance loans (a proposal then being made by the Treasury),** forward funding by Congress, and the relations among the federal government, states, universities, banks, and students. With Charles Walker of the American Bankers Association he discussed a financial need criterion for GLP, the success of the program, and ABA promotional efforts to increase bank participation. He talked to Edward W. Brice, assistant to the Assistant Secretary of HEW for Education, about making loan provisions consistent in all programs. He and

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*Jack Critchfield, "Summary Report of Interviews with State Loan Agencies," August 1967, page 54.

**The Allied Health Professions Personnel Training Act, passed in November 1966, had authorized FNMA-type funding for health professions and nursing loans. The first funds under this provision were disbursed in August 1967.

the study staff met with officials at the Bureau of the Budget, held over a dozen conferences at the Office of Education, read extensively in the financial aid literature. The Office of Education opened up its files on the loan program to them, and provided statistical reports and new tabulations of data.

The issues that were engaging their attention through the summer were largely administrative questions. But inevitably there was overlap with the questions of the Bureau surveys.

A major activity of CEEB was the convening of seven one-day conferences in states around the country. The first one was in Raleigh, North Carolina in August, and was attended by high-level bankers, educators, state officials, and foundation representatives. Conferences followed in Harrisburg, Pa., Denver, New York City, Syracuse, San Francisco, and Chicago. At each meeting, influential representatives from education, banking, state guarantee agencies, and related groups deliberated for a full day over the issues in the field. Discussions ranged over past experience, future expectations, and suggestions for improvement in the program. No record was made of the proceedings.

Kirkpatrick was at every meeting, and found them important in forming his ideas. Looking back after the study was over, he said, "Here's where we learned so much about feelings about the Guaranteed Loan Program."

Several additional conferences were also held, such as the August conference with college and university business officers and the meeting in October of the Committee on Governmental Relations of the National Association of College and University Business Officers. A meeting that Kirkpatrick remembers as particularly informative was the National Conference of Executives of Higher Education Loan Program, attended by representatives of 26 state loan agencies. "These men," he said, "lived with the loan program every day of every week for ten years or more in some states. They ate, drank, and slept it. If they didn't know, who did?"

The CEEB collected a great deal of information and opinion. The unfortunate fact, from our point of view, is that very little of it was recorded. Only an occasional interview was written up, and none of the major meetings and conferences (except the Advisory Committee on the Study) has minutes on record. While Kirkpatrick gave us free access to pore over all his files on the study, it was possible to discover only fragments of the substance of the discussions and very little about what the CEEB staff learned.

Merger of the Two Tracks of Investigation: The Recommendations

In the fall of 1967, Kirkpatrick and his staff began to plan their report to the Office of Education. By early October, they had in hand: computer tables on the questionnaire responses of most schools and banks, some of the cross-tabulations of the questionnaire data, Critchfield's report on the interviews with state agencies, the experience of seven state meetings which had been held in all parts of the country (the last on October 4 in Chicago), plus the results of their own interviews.

On October 9 Kirkpatrick drew up a five-page draft summary of the strengths and weaknesses of the Guaranteed Loan Program. It would be enlightening if we could dye-mark the various pieces of evidence and trace them into the summary. Unfortunately, no such clear-cut identification is possible. But while we cannot tell which specific items of information affected each recommendation, we can gauge the general effects of the different sources of evidence.

Influence of field work. Despite the reluctance of informants to pinpoint the specific data that affected the formation of their opinions, it may be useful to speculate on the ways in which the CEEB field work influenced the development of recommendations. In many research studies, the study director is in a similar position to Kirkpatrick's, weighing different types of evidence, experience, preconceptions, and non-research factors in the process of drawing implications for action. Users of research studies, too, have to weigh various research and non-research factors in reaching decisions about the action to take or recommend. Perhaps future studies can inquire more closely into the process by which these conclusions are reached.

Certainly cognitive background and experience play a part. Kirkpatrick's experience in banking and university business administration had given him knowledge of the loan field and insight into the perspectives of significant actors in the system. He was intimately aware of business and efficiency factors and the importance of sound use of government funds.

The directness and personal involvement that field interviews and conferences entail are often highly important. Field interviews can:

(a) sensitize the study director to those particular issues that his respondents forcefully present;

(b) affect the kinds of questions which he will later ask in the more structured data collection phases;

(c) influence his preconceptions of how the data will fall and subtly build up a preference to emphasize those items of research data that accord with his preconceptions;

(d) affect his assessment of the relative importance of issues; and

(e) acquaint him with the political feasibilities, the constraints in the system, and the limits within which his recommendations should fit if they are to stand a chance of prevailing.

In this case it is clear that over all, Kirkpatrick gave greater weight to the field work than to the questionnaires. Field interviews did sensitize him to issues, affect his weighting of issues, and acquaint him with political limitations. They had some influence on the development of questions in the questionnaires, inasmuch as much of the very early field work directly dealt with discussions and criticisms of the draft questionnaires. The field work was influential, too, as we shall see, in determining which items of questionnaire evidence were taken seriously, cited, and relied upon in the final report. The questionnaire data were used to a large extent as back-up data for positions that emerged from the whole range of data collection activities.

The field interviews appear to have been particularly influential in the assessment of the relative importance of issues. The questionnaires--and Nash, who relied largely on the questionnaires for his information--were limited to the questions as asked. Kirkpatrick and the CEEB study staff sometimes felt that the Bureau was stressing unimportant points and blowing up small pieces of survey data into "revealed truths."

With regard to learning about the political climate of opinion, Kirkpatrick believes that the field work did enlighten them about political feasibilities. However, he felt it imperative to call the shots as he saw them. While he recognized the resistance in Washington to such ideas as consolidating the administration of all loan programs or introducing a financial need criterion into the Guaranteed Loan Program, he believed that the study should develop and abide by its own convictions.

In June 1970, about two and a half years after the study had been completed, Kirkpatrick reviewed the experience and said:

> If you made me come up with a percentage on importance of the questionnaire data, I would say the questionnaire data were something between a 20 and 25 per cent factor on the report. The other 75 to 80 per cent were interviews, opinions, conferences, talking to people, going right to the top.

Because he was extremely busy right after the Loan Study and unavailable for more than brief discussions with us then, it is impossible to know whether his estimate would have been the same at a point closer in time to the events.

Kirkpatrick explained his reliance on the interview and conference material on several grounds. The participants in the conferences were knowledgeable and important people. They had been chosen for their expertise. Some, like Morse of the American Council on Education, "lived and breathed educational legislation." Particularly on the Guaranteed Loan Program, they knew vastly more than most college financial aid officers, who had not been directly involved in the program. Because in the GLP students dealt directly with banks, college aid people could give only a very partial picture of the program's operation.

Secondly, personal contact is likely to have greater impact. Face-to-face interaction can intensify communication. Long after the study was completed, Kirkpatrick still remembered "a red-headed chap from Illinois State Teachers College at the midwest conference who pooh-poohed the idea that loan cancellation had any effect on the number or quality of students going into teaching." He recalled, too, his amazement when the staff at the Office of Education told him what a heavy percentage of their time they spent on clerical correspondence regarding the definition of eligibility for teacher cancellation.

Further, interviewing is two-way communication. If a respondent does not understand a question, if he misinterprets or gives a partial answer, the interviewer or conference participant is not limited to the first answer (as is a questionnaire). He can rephrase and reinterpret the question. He can also explore different aspects and factors in the situation and increasingly specify the direction, intensity, and conditional limits of a person's knowledge and opinions. Questionnaires, on the other hand, may be answered superficially and with little thought.

Another possible effect of field work is that it develops a collective sense of events among the study staff and brings about a "team consensus." As staff continue their rounds of interviewing, telephone calls, and meetings, they confer among themselves, sharing their experiences and building up a common body of information, knowledgeability and opinion. There are suggestions that this in fact did occur to some extent among CEEB study staff.

While the over-all salience of the CEEB field work seems clear, it is still difficult to tell which sources of evidence influenced each specific recommendation. Kirkpatrick, for all his subsequent devaluation of the questionnaires, in the fall of 1967 was paying attention to the survey tables as Nash delivered them. They were bringing organized and systematic data to the project.

The development of study recommendations. Nash was in and out of the CEEB office in late September and early October (and on through the next two months as well), delivering the latest tables hot off the computer. Nash reports that the tables as such were almost never discussed, so that it was hard to tell how they affected Kirkpatrick's thinking. Kirkpatrick reports that he was being given reams and reams of uninterpreted computer runs. Some discussions on particular issues went on, and joint meetings of CEEB and Bureau staff were scheduled for October.

On October 9, CEEB and Bureau study staffs met together specifically to discuss the report that would soon be due on the Guaranteed Loan Program. Kirkpatrick distributed the summary that he had prepared of the program's strengths and weaknesses. In this material, the idea appears of separating loans of necessity for the needy from loans of convenience for the middle-class. There is also the same stress as will appear in the final report on the desirability of a financial need criterion for Guaranteed Loans and of involvement of the colleges in deciding on need and amount of loan. The summary also mentions the unprofitability to lending institutions of 6 per cent loans, and the unavailability of Guaranteed Loans to many students because of non-participation of many banks, limits on availability of funds, requirements of an established account or relationship with the bank, state residency requirements, and reluctance to lend to low-income and minority students. Another theme that will appear in the final report is also briefly present: the negative effects of direct federal insurance (which is provided when there is no effective state plan) upon states' willingness to appropriate funds for state agencies. (Appendix B presents these recommendations and the successive versions of them in the following three drafts.)

The staff discussion went on most of the day of October 9th. The six CEEB participants and the Nashes hammered out twenty-four recommendations, or, if the recommendation itself was not clear, areas in which recommendations should be made. Almost all of the important recommendations concerning the Guaranteed Loan Program that were to appear in the final report were agreed to at this meeting: financial need should be a criterion for Guaranteed Loans; loans of necessity to the needy should be separated from loans of convenience to the non-needy, and the latter should not be charged as a federal aid to higher education nor compete for federal funds for education; banks should receive a higher return on Guaranteed Loans.

George and Patricia Nash, the Bureau staff members in their role as suppliers of questionnaire data, were uneasy that the CEEB people were reaching conclusions without adequate attention to the questionnaire responses. They felt it their responsibility to refer to those data when issues came up, and to convince the CEEB staff to do likewise. But through this and most other joint meetings, there were almost no substantive disagreements. Where the CEEB staff was taking positions that were not based on data, Nash was willing, after pointing out the absence of data, to discuss their position on their own terms.

Researchers usually expect to have recommendations developed out of the results of their research, rather than being drawn up independently while the research is in progress. They see a logical progression:

(1) data
(2) elaborated analysis of data
(3) conclusions based on the analysis
(4) action recommendations based on the conclusions

In this case, the data and some beginning analyses were ready although there had not been time for the researchers to go further. But the joint CEEB-Bureau group was starting with recommendations, going to the data, and back to the recommendations. The best that Nash could do was be sure that the early recommendations were checked against the data for consistency. His position was--figuratively and often literally--to move the piles of computer tables to stage center.

The fact that there were so few disagreements between the recommendations that the CEEB study staff offered and the questionnaire data is probably due to two main factors. First, the CEEB staff had been talking with key people from the same groups (educational institutions, lending institutions) that the Bureau was systematically surveying.

They were receiving much the same kind of information that the questionnaires were pulling in, as well as a good deal of additional information that was not included in the surveys.

Secondly, the Bureau survey staff were aware that action recommendations are inevitably influenced by an estimate of the effect of other variables not available in the survey data. They recognized the extensive fact-gathering process in which CEEB study staff had been engaged and the information they had gained on such matters as issue salience and political acceptability. They realized that CEEB was bringing additional considerations to their review of the questionnaire results and filtering the information through their own knowledgeability. They were willing to accept both the substance and the legitimacy of the CEEB role.

At this point there was one issue on which the CEEB recommendation seemed to contradict the data: loan cancellation for teachers. The colleges wanted to retain cancellation. They said it did not make loan collection more difficult, that their experience with it was satisfactory, and it should not be eliminated. Nevertheless, the CEEB took the position that it should not be extended to the GLP and might well be eliminated from the NDSLP.

The CEEB stance was based on factors other than the opinions of the colleges. The costs of cancellation were increasing. Other critical professional fields, such as law enforcement and social work, were expressing a desire for loan cancellation--with considerable justice. Moreover, staff of the Office of Education in Washington and the regional offices were spending an extravagant amount of time determining eligibility.

Even the questionnaire itself could supply some support for the CEEB position. Thus, only 13 per cent of the schools said that cancellation had definitely increased the number of students going into teaching, and another 42 per cent thought it had "probably" increased the supply of teachers. Based on this kind of "opinion" evidence, elimination of the cancellation provision was not definitely contra-indicated. Nash himself agreed with the CEEB position on ending cancellation. Despite the colleges' interest in retention, he felt it fully justified on other grounds, e.g., the costs, administrative burden, unfairness to other low-paid occupations.

At the close of the meeting, the staff allocated each of the 24 recommendations or areas for recommendation to a member of the group to work on. The Nashes, as part of the team, were assigned to write up the recommendations dealing with cancellation of loans for teachers, making loans profitable for banks, need for continuation of the NDSLP, inefficiency of income tax credits for tuition payments, plus six technical matters on which there was little strong staff opinion and for which the questionnaire responses were to be consulted.*

An Advisory Committee meeting was coming up on October 26, 1967. It was scheduled to discuss findings and recommendations particularly on the Guaranteed Loan portion of the study. A digest was prepared of the recommendations and supporting material that the staff members had written, and mailed to committee members on October 20. (See Appendix B for the recommendations in the October 20 draft.)

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*These were: maximum amount of borrowing for each student, length of grace period, need for co-signers for minors, whether the Guaranteed Loan should be given to the student or to the college, disbursement of loan funds once or twice a year, and whether the bank or the college should supply loan application forms.

The October 20 materials mailed to Advisory Committee members came in three sections. The first section was subtitled, "Federalism and Creative Federalism," and posed the question of whether the Guaranteed Loan Program should be a "Federal partnership, i.e., creative federalism or a Federal bureaucratic operation." The paper opted for "creative federalism" with 50 strong state guarantee agencies. This was a key concern of Kirkpatrick's, and was unrelated to the survey data.

The second section made a strong case for the separation of loans of necessity from loans of accommodation. It cited support for a financial need criterion for Guaranteed Loans from the colleges and universities and lending institutions in the study, and from the American Council on Education, American Bankers Association, state guarantee agencies, and United Student Aid Fund. A strong recommendation was made that colleges should be responsible for determining students' financial need and recommending to the lending institution the amount of the loan. A third section listed 15 "other problems and findings."

The Advisory Committee discussed the statements. The meeting was lively. Members spoke from a variety of viewpoints--recounting their own experiences in different states, different institutions, different positions.

But for at least one member of the group, there was a sense of disquiet about the function of the meeting. John F. Morse, the influential director of the Commission on Federal Relations of the American Council on Education, stated that the draft before the committee was more a position paper than the result of a study based on factual analysis.*

*College Entrance Examination Board, "Highlights, Advisory Committee Meeting, October 26, 1967," mimeographed, p. 2.

Although it spoke of evidence, little was given for the policy positions being taken. He cited the statement on the maximum borrowing allowed a student per year. The CEEB working paper stated: "While there exists a certain amount of differing opinion about these limitations (i.e., present legislative maximums on borrowing), the evidence seems to support them as sound guidelines."* What evidence? This was an important matter, deserving of serious study, but he saw no relevant research results.

Kirkpatrick responded, according to the CEEB minutes of the meeting, that "since the study was being made so early in the life of the Guaranteed Loan program, the views presented in the document before the committee necessarily had to be based on opinions and judgments growing out of the various conferences, interviews, and questionnaire responses expressed by the several participants in this loan program."**

George Nash, who had been sitting at the meeting with a pile of tables in front of him, uncomfortable that the survey data were being ignored, was buoyed by Morse's statement. He saw it as a vindication of the position he had been advocating--greater reliance on the questionnaire data. He has since said that Morse's comment, and the later reactions to it, marked a turning point in the CEEB's manifest use of the questionnaire data.

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*CEEB, "Other Problems and Findings," working paper for October Advisory Committee.

**CEEB, "Highlights," op. cit. This statement reflects a variation of the theme of "timing" as a factor in research utilization. The stage of the program at which research is begun can place limits on the type and relevance of the research that is undertaken.

But what Morse was objecting to here was not so much that the questionnaire data were being bypassed as that the data themselves were based on opinions, and not necessarily opinions of the most qualified observers. For example, the "evidence" for maximums on borrowing reported in the CEEB working paper did come from the responses of banks and educational institutions that present limits were sound. Morse was saying that they needed to know more than this about the effects of borrowing.

The attention directed to research data, nevertheless, was supportive of Bureau efforts to keep the survey responses in view. At one point in the meeting, Kirkpatrick mentioned a facet of banks' opinions which he had learned through personal conferences, but which was at variance with the questionnaire responses. Nash spoke up and cited the data. Members of the Advisory Committee evinced interest in his statement and in hearing more about the questionnaire results. He took a few minutes to bring some of the findings on the GLP before the group.

While there was considerable diversity of Advisory Committee opinion, and questions about the data, the meeting ended in substantial agreement with most of Kirkpatrick's recommendations. The next draft of study recommendations, which was mailed to Advisory Committee members on December 4, is very close to the statement of October 20. (See Appendix B, Column 3.) Almost the only change is the sharpening of implicit positions. No additions of any significance were made.

Mr. Morse himself felt bound to resign from the Advisory Committee. In his position at the American Council on Education, he worked with a carefully selected commission to formulate policy positions on educational issues. If the Advisory Committee, rather than advising on research, was also setting policy, he ran into potential conflicts. So--amicably--he withdrew.

One consequence of the meeting was that because of discussion on the subject, CEEB paid further attention to the maximums on borrowing and the concept of reliance on student borrowing to finance higher education. In the final report, a recommendation would be made that "an economic, educational, and social analysis of the impact of borrowing be undertaken . . . to determine what might be considered reasonable maximum indebtedness . . ."

In the days following the Advisory Committee meeting, CEEB study staff met frequently to plan, draft, and revise sections of the final report. Bureau staff sometimes joined them. The January deadline was approaching, and there were still data to analyze and opinions to reconcile. Because he wanted more interpretation of the questionnaires, Kirkpatrick asked the Nashes to produce a written report on the surveys. The Nashes had not intended to produce a separate report, but were willing to satisfy the request.

Thus in November 1967 they produced "A Report of the Opinions and Practices of College Student Financial Aid Administrators at Institutions of Higher Education, Health Professions Schools and Nursing Schools on the Federal Student Loan Programs." Included for each group were the tabulations, cross-tabulations, and interpretation of the questionnaire responses. One of the more interesting features was an analysis of the correlates of satisfaction with the loan programs. Obviously the timing of these reports made them almost unusable in the preparation of the final report, which was being written simultaneously. At this point they were for the record rather than for planning or decision making.

A second Advisory Committee meeting in December reviewed the data, position statements, and recommendations of the total study. It was a large group, and although diverse and important statements were made, there were few significant changes made in the draft report. Perhaps the clearest effect of the meeting concerned the recommendation on ending the interest subsidy on Guaranteed Loans during the repayment period. Lack of evidence on the effects of interest subsidy and lack of consensus among the advisors led to a middle-of-the-road position: the final report included a discussion of the pros and cons but recommended only that eliminating the subsidy be considered in the future. There were practically no changes in the recommendations after the December 11 meeting.

In a hectic year-end marathon, CEEB almost made the December 31 deadline for the report. A pre-publication draft appeared on January 12, 1968, and the final version, almost unchanged, was transmitted to the Office of Education in late January.

Report of the Study

The report was a mimeographed document, 1-1/4 inches thick, 230 pages long, bound in hard plastic covers. It contained 11 chapters and 9 appendices. In February, the Nashes completed the pilot study of student borrowers, and the report of these data was added as Chapter XII. All the questionnaires were reproduced in the appendices, and total answers for each question were shown. A few basic cross-tabulations also appeared, e.g., type of bank, type of health professions school.

Chapter I was a statement of the purpose of the study. The second chapter reviewed the dollar amounts of student aid. The third chapter was the key section. It summarized all the recommendations of the study and indicated some highlights of the supporting evidence. The following chapters dealt with each loan program separately in detail--National Defense, Health Professions, Nursing, Cuban, and Guaranteed Loan Programs (including Vocational Student Loans). Here pros and cons, evidence and testimony, were discussed. The last three chapters dealt with the concept of a revolving fund for financing federal loans, uniformity of provisions, and central administration.

Chapter III, the summary of the recommendations, was the heart of the report and the section most likely to be read. It contained 44 recommendations. (Appendix C of this paper lists all the recommendations.)

It is sometimes suggested that a reason for non-use of research results is that the report stops short at the point of analysis and fails to draw explicit recommendations for action. Clearly this was not the case here. The whole report was organized around the recommendations. Other considerations (description, analysis) were subordinated to the presentation of clear and specific recommendations.

Table I shows the types of evidence cited for the key recommendations in the study report. The questionnaires of the Bureau survey clearly lead in mentions. Since they appear to have had only a supporting role in the story so far, their primacy is interesting. Perhaps the nature of quantitative data makes them more available and easier to use

TABLE 1

TYPES OF EVIDENCE MENTIONED IN STUDY REPORT FOR MAJOR RECOMMENDATIONS

Recommendation	Frequency of Source Cited for Each Recommendation				
	Question-naires	Inter-views	Govern-ment statistics	Advisory Committee	Other
1. Financial need criterion for GSLP	4	3	1	1	
2. Colleges should determine who receives GSL	4	1			
3. Banks should have higher rate of return on GSL	4		2	1	
4. Grace period should be shortened	1			1	
5. States should establish central service division or central pool of credit	1	1	1		
6. Separate administration of loans for non-needy	1		1		
7. Consider ending GSL interest subsidy		1	1	1	
8. Combine loan programs into two					
9. Centralize loan program administration				1	1
10. Hold NDSLP at present levels of funding	6		4		
11. End loan foregiveness for teachers	3	7	4	1	1
12. End loan forgiveness for nurses	2			1	
Total	26	13	14	7	2

than qualitative materials. Numbers provide information in highly condensed form, making them convenient for a pithy report. Furthermore, because the data derive from large numbers of respondents, they lend an aura of certainty, completeness of coverage, scientific respectability, and legitimacy. The frequency of mention does not contradict our sense that the choice of which questionnaire data to use was influenced by their concordance with predilections derived from experience and field work.

The next column of the table, "Interviews," is shorthand for the CEEB data collection through conferences with officials, meetings with representatives of relevant institutions, and interviews with state guarantee agencies. The interviews were obviously important in two key recommendations, both of which were highly controversial, and they were mentioned once under three others. "Government statistics," the third column, shows a relatively high frequency of citation. This column refers to data prepared largely by the Office of Education on such subjects as dollar amounts of aid and family income of students participating in the loan programs. The final column, "Advisory Committee," refers to specific mention of the committee in the discussion of the recommendation. The seven mentions here are spread over seven recommendations.

However, the mention of a source does not necessarily mean that the source <u>supports</u> the recommendation. In the case of the recommendation to end loan forgiveness for nurses, for example, there are two mentions of questionnaires. One directly <u>opposes</u> ending forgiveness and the other leans strongly in the same direction.

Therefore, it may be well at this point to look at the correspondence between the report recommendations and the questionnaire survey data. While we recognize that the survey was only part of the research done in the study, and probably not the most influential, it is the only part that is accessible. As noted earlier, the conferences and most interviews went unrecorded. As we continue our investigation of the utilization of the study, it will be important to know how firmly the recommendations rest on evidence--and the survey evidence alone is systematically presented. Further, as we will see, questions will be raised by policy-makers about the basis for study recommendations. Since the survey data are the chief support offered for the recommendations, the users of the study in the Office of Education and in the Congress will take them seriously. For all of these reasons, then, we turn to an analysis of the fit between the questionnaire data and the recommendations.

The relation of the recommendations to the questionnaire data. Most of the recommendations were unconnected with the survey data. (See Appendix C for a classification of recommendations and survey support.) Many dealt either with administrative matters (which were relatively minor) or were noncontroversial. We will limit our attention to those recommendations that (1) required legislative action, and (2) evoked controversy. In most of these cases, there are survey data available.

The reasons for eliminating non-legislative issues are twofold. First, almost by definition they tend to involve routine administrative issues. Secondly, in these cases, the source of information was likely to be the administrators of the loan programs themselves. That is, the Office of Education (and to a lesser extent the Public Health Service) were not only the clients of the study; they were also the purveyors of much of the evidence and opinion on which the administrative recommendations were based. It would be almost impossible to say to what extent implementation of a procedure meant that the Office of Education was <u>using</u> the CEEB study recommendation. It is equally likely that CEEB is "using" Office of Education information.*

We look only at recommendations that were likely to evoke controversy on the Hill, because acceptance of noncontroversial recommendations can hardly be ascribed to anyone's influence.

Twelve recommendations meet both the "legislation" and "controversy" criteria, and we will focus on these:

Three are supported by the survey:

(1) Financial need criterion for GSL

(2) Colleges' determination of receipt of GSL

(3) Higher rate of return to banks on GSL

Two receive some support from the survey:

(4) Shortening of the grace period

(5) States' establishment of central service division or central pool of credit for problem borrowers

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*Confirmation of this point comes from the Office of Education's official comments. In most cases, they stated, they were already implementing the recommendations that they agreed with, and as the resident experts, they were not swayed by those they disagreed with. U.S. Congress, House of Representatives, Special Subcommittee on Education, Committee on Education and Labor, "Summary of Recommendations in College Entrance Examination Board Study with Comments of Office of Education," <u>Higher Education Amendments of 1968: Confidential Subcommittee Print No. 2</u>, 90th Cong., 2nd sess., 1968.

On three recommendations, the survey did not provide data:

(6) Separate administration of loans of accommodation for non-needy families

(7) Consideration of ending GSL interest subsidy

(8) Combining six loan programs into two

Four were contradicted by at least <u>some</u> survey data:

(9) Centralization of loan program administration

(10) NDSLP appropriation at present level

(11) End of loan forgiveness for teachers

(12) End of loan forgiveness for nurses

Let us now look in more detail at the relation of the survey to these recommendations.

(1) Financial need criterion for GSL, and (2) Colleges' determination of receipt of GSL. Financial aid officers in the schools were not directly asked for their opinion on imposition of a needs test. But they were asked if they thought that the school should specify the maximum amount to be loaned under the Guaranteed Loan Program. Three-quarters said yes, when the student has financial need (48 per cent, definitely; 27 per cent--yes, probably), and 63 per cent said the school should specify the amount when the student does not have need (43 per cent, definitely; 20 per cent, probably). Sixty-five per cent were already recommending to the banks the amount to be borrowed in most or some cases. These findings were interpreted not only as support for a strong role for the colleges in determining who gets guaranteed loans, but also as implicit support for consideration of the financial aid officer's specialty--determination of need.

Ninety-five per cent of the lending institutions believed that students' financial need should be taken into account in deciding whether to award a Guaranteed Loan. Eighty-three per cent wanted colleges' recommendations on the amount of loan. Twenty-five per cent were already in regular contact with colleges about loan applications, and 84 per cent of these accepted the colleges' recommendations on the amount of loan in most cases.

However, "financial need" was not defined in the questionnaire. Mr. Bayer of the Insured Loans Branch in the Office of Education suggests that what banks mean by taking financial need into account is that the loan is consistent with the expected expense; you don't lend $3,000 to meet $2,000 of college expenses. C. E. Deakins, then Chief of the Insured Loan Branch, had pointed this out to Kirkpatrick in 1967 when the questionnaire to banks was being drafted. "This question [Does your institution take the student's financial need into consideration when making loans?] needs further clarification. There is confusion between our definition of 'educational costs or need' and the CSS [College Scholarship Service of the CEEB] definition of need."*

(3) Higher return to banks. Banks' questionnaire supported this position. Only 6 per cent of the responding lenders found the existing 6 per cent rate profitable. Thirty-three per cent said it was break-even, and 61 per cent said it was a loss rate. Since the low rate of participation of lending institutions in the program and the small number of loans made even by participating banks were already known,

*Letter from Deakins to Kirkpatrick, June 22, 1967.

these data confirmed that it was the return rate that banks found unattractive.

(4) Shortening the grace period for all loan programs. Colleges weren't asked for their views on the question. Banks were asked if they agreed or disagreed with the statement, "The present 10-month period allowed after graduation before the student must begin to make repayment on the Guaranteed Loan is not excessive." Fifty-two per cent of all lending institutions agreed that it was not excessive. But of the large commercial banks, who were as a class the most active lenders, only 39 per cent agreed.

The decision to recommend a grace period of four months, and to have it apply to all loan programs, was a tenuous elaboration from these data.

(5) States' establishment of central service division or central pool of credit for problem borrowers. No one was queried about the setting up of a central service division or a central pool of credit. What the survey did was show that there were students reported to have problems obtaining a guaranteed loan. Lending institutions said that they generally limited loans to borrowers in their "marketing area," and many of them gave preference to present customers (27 per cent said without exception, 40 per cent said yes, but we make some exceptions). A few banks owned that some students have considerable trouble getting guaranteed loans: freshmen, according to 11 per cent; students from rural areas, according to 9 per cent; students from low-income families, according to 3 per cent.

Educational institutions more often reported that students had trouble obtaining guaranteed loans: 45 per cent said that students unknown at the bank have considerable trouble, 23 per cent said out-of-state students, 15 per cent said students from rural areas, 13 per cent said freshmen, 13 per cent said students from low-income families, 10 per cent said racial minority group students. Some readers of the data wondered whether these responses reflected the state of the financial aid officers' records or of their prejudices.

(6) Separate administration of loans of accommodation for non-needy families. This recommendation was the outgrowth of the establishment of a financial needs test for the GSL. Non-needy families would no longer be eligible. Therefore, if the Congress wanted to be good guys and help families who didn't need loans, they should set up a separate agency and system, without charging the costs against education. No data, beyond those supporting the financial need criterion for GLP, support the recommendation.

(7) Consideration of ending interest subsidy in the GLP during the repayment period. No one was asked.

(8) Combining six loan programs into two: the Guaranteed Loan Programs and all others combined. Educational institutions weren't at all prepared to forego NDSLP, HPSLP, and NSLP and rely solely on the Guaranteed Loan Program, so it was not feasible to combine all the programs into one. But nobody was asked about combining them at all.

(9) Centralization of loan program administration. This recommendation in essence meant moving the Health Professions and Nursing Loan Programs to the Office of Education. The health professions and

nursing schools weren't queried about this possibility. What they were asked was their satisfaction with the Public Health Service. They were very satisfied. The recommendation for consolidation was based largely on notions of efficiency.

(10) NDSLP appropriation at present level. This recommendation ran counter to the schools' expressed desire for more NDSLP funds. Forty-two per cent stated that the amount of NDSLP funds was inadequate; 89 per cent did not plan to decrease the size of their NDSLP loan request because of the availability of the Guaranteed Loan Program.

The recommendation, however, was responsive to the Office of Education guideline about minimizing direct federal loans and maximizing loans from private sources. The wording of the CEEB recommendation and the discussion of it show that the study staff felt that they were being bold in defying the implicit injunction to reduce or phase out the NDSLP. To the extent that they urged the maintenance of NDSLP at existing levels, rather than reduction, the recommendation used the survey data. But when the recommendation was read and discussed in 1968, the early history had grown dim and the unintended meaning that came through was: Don't increase NDSLP.

(11) End of loan forgiveness for teachers. Educational institutions favored the forgiveness feature. In response to a question on the future of cancellation in the NDSLP,

67 per cent of colleges said there should be no change
22 per cent of colleges said eliminate all cancellation
11 per cent said extend cancellation.

Asked whether cancellation made collection of loans more difficult,

4 per cent said yes, definitely
11 per cent said yes, probably
85 per cent said no.

Asked whether cancellation increased the number of students at the institution who went into teaching,

13 per cent of colleges said yes, definitely
42 per cent said yes, probably
45 per cent said no.

The respondents to the college questionnaires were financial aid officers, and some interested readers of the report questioned the aid officers' knowledge of the facts; deans of education, for example, might have given different responses.

The "hardest" research data came from the pilot study of student borrowers. Questionnaires were mailed to 285 graduates of the class of 1965, from schools in the Metropolitan New York area, who were paying off their NDSLP loans; 109 questionnaires were returned. Of these, 57 per cent of the borrowers expected that part of their loan would be cancelled because they were or will be teaching. This represents 62 borrowers. Of the 62, 91 per cent said that cancellation had not influenced their decision to go into teaching. This finding was the strongest support for the recommendation, since it showed that cancellation had little pull. But the figures were very small and drew only from New York City graduates. It was hard to lean on them. And there were even those who commented that increasing the teacher supply by 9 per cent was no mean feat.

The interesting thing, however, is that the results of the pilot study were not available at the time that the recommendations were formulated, discussed, and accepted. The results came in in February, after the report was completed and submitted. They were sent to Washington as an appendix to the final report.

(12) End of loan forgiveness for nurses. Nursing schools favored forgiveness.

67 per cent said there should be no change
24 per cent said increase the amount of cancellation
9 per cent said eliminate all cancellation

Asked whether cancellation had increased the number of students who went into nursing practice, 45 per cent said yes.

Thus, for the twelve recommendations, there was wide variation in the degree of correspondence between data and recommendation. Even at best, however, the data were not seen as conclusive. In a later section we will consider whether strong research support increased the power of a recommendation. But our inquiry will be limited by the fact that the strongest research support for a recommendation present in this study was open to criticism and debate.

Chronology -- Phase II

The following table summarizes the events of April 1967 to January-February 1968.

Phase II - Conduct of the Study

	Office of Education	College Entrance Examination Board	Bureau of Applied Social Research
1967	April-May--Advises on survey questionnaires.	April--Participates in development of questionnaires.	April--Develops survey questionnaires. May--Sends questionnaire out to colleges.
	June--Receives preliminary questionnaire results. -Discussions on merger of loan program administration; decision is made not to merge.	June--Receives preliminary questionnaire results. -Holds interviews with federal officials, representatives of agencies, and interest groups.	June--Sends out preliminary results of colleges' questionnaire.
		May-Aug.--Interviews with financial aid officers, bankers, et al.	July--Sends questionnaires to health professions schools.
	Aug.--Begins planning legislative proposals for 1968. -HEW task force draws up Higher Education Amendments of 1968.	Aug.-Oct.--State Conferences with financial aid officers, bankers, et al.	Aug.--Questionnaires to vocational educational institutions. -Questionnaires to lending institutions. -Questionnaires to nursing schools.
		Oct.-Jan.--Develops recommendations.	Oct.-Jan.--Helps CEEB to develop recommendations.
	Oct.--Attends Advisory Committee meeting.	Oct.--Advisory Committee meets on GLP.	Oct.--Attends Advisory Committee meeting. Nov.--Prepares report on Guaranteed Loan Program.
	Dec.--Attends Advisory Committee meeting.	Dec.--Advisory Committee meeting.	Dec.--Attends Advisory Committee meeting. -Report on NDSLP and other loan programs
1968	Jan.--Last minute changes in Higher Education Amendments.	Jan.--Submits study report to Office of Education.	Feb.--Prepares report on study of student borrowers.

Chapter III

DECISIONS ARE MADE

Meanwhile at the Office of Education

While the study was in progress, four related activities were going on in the Office of Education. First, staff of the Division of Student Financial Aid reviewed the experience of the College Work-Study and Educational Opportunity Grant programs. Second, staff were keeping in close contact with CEEB. Third, representatives participated in intradepartmental discussions within HEW that considered consolidating the administration of all loan programs, an issue that the study staff was also pondering. Finally, beginning in August, the legislative planning cycle began and the Division of Student Financial Aid started drawing up proposals for 1968 legislation. OE specifications went to a departmental task force that framed the student aid section of the Administrations' higher education bill.

(1) Review of College Work-Study and Educational Opportunity Grant Programs. The Division of Student Financial Aid reviewed experience and data on these financial aid programs in-house, with an intent similar to, although on a much more restricted scale than, the CEEB study of loan programs. CEEB had not been charged with any responsibility to assess these programs. However, as a service to OE, the Bureau included in the questionnaires a few questions on schools' participation and satisfaction.

OE staff drew on these data as well as their knowledge of operations, correspondence and complaints, and statistics.

(2) Close touch with CEEB. James Moore, director of the Division of Student Financial Aid, shepherded the CEEB study from its earliest beginnings. He and his staff were in constant contact with CEEB during its course, reviewing the questionnaires, writing an explanatory letter to colleges to urge their participation in the survey, tabulating OE data on loans, conferring on the issues. OE people attended both Advisory Committee meetings on the study.

In June, they received from the Bureau the basic results of the first 700 questionnaires returned by colleges. (There was almost no change in the distribution of responses when the final number of 1700 college responses was tabulated. As Nash stated, "After one month they knew the facts and could adjust to reality.") It was particularly important they keep abreast of the study in progress because legislation for 1968 would have to be drafted before the final CEEB report was submitted.

In the legislative planning cycle, work starts on new proposals in the summer so that the Presidential budget can be ready by January and new legislation introduced early in the session. At the time that the study of loan programs was first conceived in spring 1966, it was expected that the timing would be appropriate and that the study findings would be ready by the time legislation was being developed. However, because of the delay in late 1966 in deciding on the focus of the study and its funding, the due date for the study was pushed back to January 1, 1968. OE staff proceeded with legislative proposals without the full CEEB report, although they knew much of the content before it was finished.

(3) Intradepartmental discussions on consolidation. Secretary Gardner was deeply concerned with streamlining the big ramshackle department of HEW. In his attempts to bring order he looked into the possibility of consolidating the administration of all the federal loan programs. Representatives of the affected agencies and the Secretary's office met and considered the pros and cons in early 1967. It was evident by the summer of 1967 that there was too much resistance to force the OE and PHS loan programs together. PHS, which was the likely loser, was no happier than any bureaucracy at the idea of losing personnel and budget from a program it believed it was administering well and with special expertise in health-profession education.* Pressing the point might jeopardize larger schemes for reorganization in PHS.

Therefore, a more modest assignment was made. Secretary Gardner appointed a task force to consolidate three of the OE student aid programs into a single enactment--NDSLP, College Work-Study, and Educational Opportunity Grants--and to bring greater consistency of administration to the others. Samuel Halperin, HEW Deputy Assistant Secretary for Legislation, headed

*PHS saw the health professions loans as serving different purposes and meeting different needs from other loan programs; they were part of an integrated system of financial assistance to health profession schools (which were usually largely separate from the rest of the university); consolidation would increase work and problems, and might well jeopardize the purposes of the health professions loan programs. (I thank Alice Swift, Student Loan and Scholarship Branch, Division of Health Manpower Educational Services, for clarifying the PHS perspective.)

the task force. Members came from the Office of Education, Public Health Service, General Counsel's office, Comptroller's office, and other parts of the Secretary's office. The task force was to draw up key provisions for the higher education legislation of 1968.

(4) Legislative planning. OE began developing specifications for loan program legislation in August and September 1967. Since Secretary Gardner's new task force was now charged with responsibility for drawing up the financial aid title of the Higher Education Amendments of 1968, OE took its proposals to the task force through its representatives on the group.

OE proposals on student aid represented established positions, in most cases not related to the issues that were engaging the attention of the CEEB. There is one case where it appeared that the CEEB study, along with some prodding from other sources, influenced OE to bring in new provisions. The issue was inconsistencies among different loan programs. OE proposals reflected an effort to get uniform provisions in the various programs on such matters as deferrals of repayment during military, Peace Corps, and VISTA service, and minimum amounts of repayment. (Senator Javits of the Senate Subcommittee on Education, who had been interested in ensuring greater consistency for some time, found that these efforts were not thoroughgoing enough. When both OE and PHS loan bills reached the Senate Subcommittee, he succeeded in amending them into further reconciliation.)

On the issue of loan cancellation to teachers, the Office of Education was willing to abandon the provision. They felt that in the individual case a few hundred dollars of forgiveness was hardly likely to affect a person's long-term career decision. The administrative difficulties -- and all the correspondence involved in determining whether an individual qualified as a full-time teacher -- were a nuisance. Moreover, the costs of cancellation were going up, reaching $18 million in fiscal 1969, and projected at $20 million for 1970.

The task force worked through the fall and winter of 1967. Members of the task force, other than the Office of Education representatives, say that they knew about the CEEB study, and after its submission to OE in January, they were familiar with its main recommendations. But it had no effect on their legislative proposals except insofar as the OE proposals might have incorporated the CEEB recommendations. As one member of the task force stated, "I can't point to a single thing attributable to the Board study. Next year or the year after, the weight of things will begin to be felt, and the report may be a factor."*

* As this statement suggests, the appropriate time interval is difficult to determine in studying the utilization of research. Some research that is not acted upon early may be put to use after the student of utilization has left the scene. Research that appears unused may slowly be absorbed into the thinking of elites and publics, leading over time to significant shifts in practice and policy.

Some members of the task force, particularly its chairman, Dr. Halperin, were disappointed in the study when it arrived. They had hoped for more rigorous data on two of the controversial policy issues -- increase in return to banks and cancellation of loans for teaching. The report in both cases reported opinions. It did not show bank yields or survey the banks' alternatives. It did not give information on the actual effects of loan cancellation on recruitment into teaching. Those members who agreed with the CEEB recommendations on both counts found the evidence too thin to bring them much support.

The Office of the Secretary of HEW did not want to reverse the department's traditional position of supporting loan forgiveness, despite OE's desertion from the fold. The department had held that cancellation was a good thing for a long period of time, and it was awkward to do a complete turnabout. Furthermore, there was no sense in the department's getting into the middle of what was surely going to be a donnybrook between the House and the Senate. The House, led by Mrs. Green and Mr. Quie, was out to end forgiveness, while the Senate, under the leadership of Senator Morse, was looking for more and more categories of people to forgive.

This is an illustration of the theme of the "plowed field." Cancellation of loans for teaching had engaged Congressional attention almost from the beginning of NDSLP in 1958. The House leadership had long since become convinced of the inefficiency of forgiveness and the ensuing waste of public funds. The Senate subcommittee, on the other hand, saw loan cancellation as an opening wedge in the campaign for free higher education for all. It was adamant against withdrawing financial help that had already been won.

The CEEB report was reviewed in the task force and in the Secretary's office, and the findings on the effects of forgiveness were deemed inconclusive. The decision was made that the department would no longer press for forgiveness, a decision in itself of some consequence, and one which the study helped to justify. But neither would the department press for ending it. The new legislation to be introduced into the Ninetieth Congress did not mention the subject.

The Office of Education had an opportunity to go on record directly on all of the CEEB recommendations. The House Special Subcommittee on Education, which as we shall see received the report on February 16, asked Commissioner Howe for the OE position on each recommendation. Mr. Howe's reply took exception to a number of the key recommendations of the study. Although we must jump ahead in the time sequence of the story--Mr. Howe's statement was dated March 15--we present the OE statement here as evidence of the reaction of the major client to the study.

The Office of Education Goes on Record on the CEEB Recommendations

On March 7, 1968, Mrs. Green wrote to Commissioner Howe asking for the Office of Education position on the recommendations contained in the "Study of Federal Student Loan Programs" conducted for the Department by the College Entrance Examination Board. On March 15, Mr. Howe replied. Here we have the considered position of the department. The OE position paper, before release, was carefully reviewed by the HEW legislative office and other staff of the Secretary's office.

Of the twelve CEEB study recommendations of greatest salience, OE agreed with three, disagreed with five, said "not now" on three others, and did not comment on the one related to the Public Health Service's loan program.

Agreement was recorded with the following recommendations:

1. A higher return to banks. Provisions to increase bank return were included in the Administration bill.
2. Shortening the grace period. OE stated its agreement, but this provision had not been included in the Administration bill.
3. Consideration of the removal of the GLP interest subsidy. The Office of Education agreed to "give consideration to the matter." Both the recommendation and the OE concurrence were phrased in future tense. The Administration bill did not remove the subsidy.

The Office of Education disagreed with these recommendations of the CEEB report:

4. A financial need criterion for the Guaranteed Loan Program. The purpose of the program, Commissioner Howe said, is specifically to provide assistance to middle income families who are not eligible for loans through the college-based programs.
5. Separate administration of loans of accomodation to the non-needy families. The Office of Education disagreed with some asperity. GLP should serve all families.

> The cost of obtaining postsecondary education continues to increase each year. The financial pressures now bear heavily not only on the low middle income family, but also on middle and upper middle income families who only a few years ago were capable of paying for their children's education. We believe the insured loan program was established to meet this need... Further, we see little point in a further proliferating of student loan insurance activities among other Federal agencies.

6. Having colleges and universities assume responsibility for determining who should receive Guaranteed Loans and recommending the amounts. The Office of Education concurred "in the spirit" that colleges should have some responsibility, but disagreed with the substance. Actual negotiations, said OE, "should remain between the student and the lender." Colleges have the opportunity under current statute to provide information and advice.

ERIC

7. Encouraging states to set up a central service division or central pool of credit for students having difficulty obtaining loans. The Office of Education stated that where the idea had been tried, it had proved "very ineffective."

8. Maintaining NDSLP appropriations at a level not below the 1968 level.

   > If the implication is that the direct annual appropriations for the NDSLP should be held at the 1968 level, we do not concur in this recommendation.

On three further recommendations, the Office of Education said that their time had not yet come.

9. Combining the six loan programs into two. The Office of Education said that "it is not deemed feasible to consolidate the PHS and OE programs, at this time."

10. Centralization of all loan program administration. The Office of Education stated that such a recommendation is being explored by the Department.

11. Ending loan cancellation for teachers. The Office of Education withheld judgment for the time being. It called the CEEB study "inconclusive" on the effectiveness of cancellation as a means of recruiting teachers. Further study might be done, said the statement, although at this point the educational community is sharply divided. The 1968 Administration bill left the forgiveness provision intact.

On the final recommendation, ending loan cancellation for nurses, the Office of Education did not comment. That was the business of the Public Health Service which administers the nursing loan program. The Public Health Service itself was opposed to ending loan cancellation for students who entered nursing.

On those issues where OE disagreed with the CEEB recommendations, it is evident that both administrative and ideological considerations were involved. Thus, administrative ineffectiveness was grounds for dissent in some cases: a central credit pool does not work, separate administration of loans of necessity and loans of accomodation would unnecessarily proliferate loan activity among federal agencies. Ideological grounds predominate in objections to the maintenance of the current level of NDSLP appropriations and the use of a financial need criterion. OE invoked not only its own sentiments but also the intent of Congress in opposing financial need limitations and separate administration of loans of accomodation.

The CEEB had also made other less controversial recommendations. On these, the agreement score was much higher. The Office of Education concurred with the large majority of the technical and procedural recommendations, such as simplifying and standardizing reporting procedures, strenghtening existing state agencies, earlier notification to colleges of funds available, adoption of a write-off procedure for defaulted loans, standardizing provisions for deferment of repayment, etc.

Now let us go back to the chronological account and the events occurring at the time of the January submission of the CEEB report to the Office of Education.

The Higher Education Amendments of 1968

When the CEEB's final report on the loan study arrived at the Office of Education in late January, 1968 loan program legislation had already been drawn up. The loan title was part of the Administration's omnibus education bill, the Higher Education Amendments of 1968.

Nevertheless, there was some time and opportunity for the study to influence affairs. Don Hirsch of the General Counsel's Office in HEW recalls that changes were being made in the bill right up until the day it was introduced into the House of Representatives on February 5. In the last days, several decisions were reconsidered in the office of the Secretary of HEW, both because of the CEEB report and because of "internal factors" within the department. The report was mentioned by the discussants and given some significance. However, no changes were made in its direction. Informants have been unwilling to name exact particulars, but they stated that one decision made prior to the report's appearance, which was in agreement with the report, was changed in a direction contrary to the report. In another case, a decision contrary to the report was looked at again but allowed to stand. Other inputs--communications from many interest groups and concerns about the political palatability of the legislation to the Congress--were having an effect.*

<u>The House Subcommittee Uses the Report</u>

Staff of the House and Senate subcommittees on education were informed about the CEEB study and received copies of the report prior to its official release on February 16. The House Special Subcommittee on Education was particularly interested. It found that the CEEB report agreed with many of its own positions, such as ending loan cancellation for teachers, increasing the rate of return to banks, even with its old (now dormant) penchant for consolidating the administration of the loan programs.

The information on the unprofitability of Guaranteed Loans looked particularly useful. The Congress was loathe to increase the cost of loans to students, particularly in an election year. But without higher returns, banks would not make sufficient loan funds available. The American Bankers Association had pressed for higher returns, either through higher interest rates or through fees, but had been able to marshal scanty evidence. The data that they presented in the 1967 House hearings were based on a study of only twenty banks.** The CEEB study, by collecting similar

*That the use of the study at the secretarial level was so modest does not gainsay the good faith of the department's "anticipated reliance" on the study. The study was instigated by the Secretary's office, a sizable sum allotted for it, in the expectation that it would prove helpful in upcoming decisions. By this time, reliance on the study was limited by the timing delay, the "ground shift" in the relative importance of issues, and the over-riding necessity of ensuring Congressional support for 1968 legislation.

**Special Subcommittee on Education of the Committee on Education and Labor, House of Representatives, 90th Congress, 1st session, Hearings on Higher Education Amendments of 1967, Part I, p. 139.

responses from about 600 lending institutions participating in the GLP, lent the credence of numbers to the bankers' requests. This would make it easier for the subcommittee to sell the House on a higher return to banks, which it saw as essential for survival of the Guaranteed Loan Program.

The issue of consolidation also touched a sympathetic chord. To prevent proliferation of the number of agencies administering student loan programs, a provision had been proposed in an earlier Congress that no institution of higher education would be eligible to participate in both the NDSLP and the Health Professions Loan Program. The provision did not pass.* The Special Subcommittee on Education had become reconciled to the separation of OE and PHS programs, particularly since it was ill equipped to alter the situation. Not only is Congress rarely eager to get embroiled in decisions on structure within the executive department, but in this case, the issue was complicated by the fact that in the House, the Health Professions and Nursing Loan Programs do not fall within the jurisdiction of the Committee on Education and Labor, as do the other loan programs. The health loan programs are considered by the House Committee on Interstate and Foreign Commerce.** Therefore, consolidation of

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** That public health legislation should go through a committee dealing with interstate and foreign commerce is a historical anomaly. The first public health bill, in the 1840's, dealt with living conditions of seamen in the merchant fleet, and foreign commerce was the logical site for its consideration. For 120 years the tradition has prevailed.

* However, no student has ever been eligible to receive funds under NDSL <u>and</u> HPSL or NDL.

the programs is particularly difficult in the House, and probably would have to originate on the Senate side, where different subcommittees but the same committee (Labor and Public Welfare) have jurisdiction. The Senate, however, had shown little interest in consolidation.

The House Special Subcommittee had also recently undertaken a questionnaire survey of colleges and universities to learn about their experiences with student financial aid programs. In November 1966, the subcommittee mailed questionnaires to about 600 educational institutions. Many of the questions were similar to those in the CEEB study. For example: Do you believe teacher cancellation provisions encourage students to become teachers who will remain in the profession? From the 470 returned questionnaires, the House Subcommittee concluded that OE staff were doing a good job in administering the programs, colleges favor the retention of teacher cancellation, some students were having problems negotiating guaranteed loans, etc.* The tenor of the results closely paralleled the larger CEEB inquiry. The House subcommittee members saw their own study confirmed, and because of the mutual reinforcement, they were encouraged to place stock in the CEEB results.

The Administration bill was introduced into the House (as H.R. 15067) on February 5, 1968 by Representatives Carl Perkins and Edith Green. In the hearings held by the House Special Subcommittee on Education, the CEEB report had a prominent supporting

*House of Representatives, Report of the Special Subcommittee on Education, Study of the United States Office of Education, 89th Congress, 2nd session, 1967, pp. 141-201, 471-584.

ERIC

role. It was accorded full measure of respect for its obvious right-mindedness.

House hearings on the bill began on February 6, and went on for 13 days, ending on March 8. On the first day of the hearings, Congressman Scheuer asked Education Commissioner Howe whether any comprehensive survey had been made of the suggested student loan, grant, and tax programs "to give us some indication of how all the proposals impacted the individual students, the family, the institution, and effects on society in general . . ."* Mr. Howe replied that although nothing so comprehensive had been done, the CEEB had examined various student aid efforts and a report was in. Mr. Muirhead, associate commissioner for higher education, said in amplification that "hopefully within the next week or so"**the subcommittee would receive the report. At the conclusion of the day's hearings Congressman Esch asked, "In the light of the present consideration--and I know the college board's study came in some time ago--is there any reason why we can't have it immediately?" Mr. Muirhead answered, "No reason at all. We have the study in its preliminary form now; the delay is that it is being printed."***

Commissioner Howe sent copies of the report to Mrs. Edith Green, chairman of the House Special Subcommittee on Education,

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*Hearings before the Special Subcommittee on Education of the Committee on Education and Labor, House of Representatives, on H.R. 15067, Part 1, p. 48.

**Ibid.

***Ibid., p. 51.

and to Senator Wayne Morse, chairman of the Senate Subcommittee on Education, on February 16. The final paragraph of his accompanying letter said:

> While the Office of Education reserves the right to differ with any of the specific recommendations, we believe that you will find the study useful . . .

On March 7, John I. Kirkpatrick of the College Entrance Examination Board, the director of the study, testified before the House Subcommittee. (Most of the intervening hearings had dealt with issues other than financial assistance; H. R. 15067 contained 12 titles of which student asssistance was only one.*) The first question he was asked concerned the removal of the interest subsidy during the payout period, a topic on which the study made no recommendation. Mr. Kirkpatrick explained that there wasn't a sufficiently strong case to warrant recommending the removal of the subsidy. In an interesting exigesis of the outlook of the study, he explained, " . . . the study attempts to speak for quite a few groups, not only the colleges and universities, even the bankers and State agencies and the others that are all involved . . . [We] had to straddle the fence on this because we were trying to speak for a half dozen different kinds of groups throughout the country."**

Mr. Kirkpatrick urged that the Guaranteed Student Loan Program use a financial needs test. This was a central recommenda-

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*The total bill was referred to as the Higher Education Amendments of 1968. Title IV, on financial assistance, was sometimes called the Educational Opportunity Act of 1968.

**Hearings before the Special Subcommittee on Education of H.R. 15067, part 2, p. 802.

tion of the study. He explained it to the Subcommittee in terms of the NDSLP's inability to fulfill the needs of lower-income families. Therefore, the GLP was a "very, very valuable supplement to the National Defense Student Loan Program." A needs test for the GLP, based on the judgment of need by the colleges and universities, was important to keep the money for those who needed it. Loans of accomodation to higher-income families should be handled as loans to the parent, not the student, through direct federal insurance without the interest subsidy.* This point--in about one printed page of testimony--was the crux of Mr. Kirkpatrick's testimony.

Mrs. Green herself cited the CEEB study three times during the day. One mention concerned cancellation of loans for teachers. She stated:

> Mr. Gaul [associate general counsel of the committee] has called my attention to a pilot study that was done--it was only 109 borrowers under the NDEA. It asked, do you expect that any of your loans will be cancelled because you are or will be in teaching? The total response, yes, 57 per cent, and no, 43 per cent.
>
> Then yes, is the fact that you do not have to pay back all your loan influence your decision [sic] to go into teaching? Ninety-one per cent, no.**

On the second occasion, in a discussion of participation of private lenders in the Guaranteed Loan Program, she again quoted the report directly. The statement dealt with the difficulty of accurately assessing the availability of guaranteed

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*Ibid., p. 803.

**Ibid., p. 770.

loans to students,* and continues, "Participation by lending institutions does not necessarily mean a high volume of lending activity."**

The other citation of the study by Mrs. Green also dealt with the Guaranteed Loan Program. She stated that the study showed the unavailability of loans in large population centers with a concentration of lower economic level families, predominantly Negro. "I think this has been one of the most damaging bits of testimony of how successful this program has been."***

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*Through some mischance, the quotation in the Hearings inaccurately says "NDEA loans" rather than "guaranteed loans"; "guaranteed loans" is the phrase in the study report and is demanded by the sense of the statement.

**Hearings, p. 807.

***Ibid., pp. 808-809.

Senate Reception of the Report: Respectful but Uninterested

The history of the Senate's reception of the CEEB report contrasts with that of the House of Representatives. The Senate Subcommittee was not in sympathy either with OE's guidelines for the study nor with the CEEB's recommendations. Accordingly, the attention accorded the study tended toward the ritualistic.

Charles Lee and Roy Millenson, the staff members of the Subcommittee, read through the report before its official release on February 16, and on their recommendation it was printed as a "committee print." Between 4-5,000 copies were printed on standing resolution, as part of the "Notes and Working Papers Concerning the Administration of Programs Authorized under Student Financial Assistance Statutes." The report was now available in a handy 6" by 9" printed paperback instead of only the bulky $1\frac{1}{4}$"-thick mimeographed original. The committee print, unabridged, unexpurgated, unchanged, was dated March, 1968.

Where did the copies go? Many of them were used as "stocking stuffers" for senatorial offices. Senators are pleased to be able to send interested constituents evidence of their efforts in their behalf. Senator Morse, chairman of the subcommittee, was running in a strongly contested primary election for the Oregon Senate seat in May, and many of the reports were dispatched to Oregon voters. Others were mailed out by subcommittee staff on request. Senator Javits, for example, had copies mailed to a selected list of people in education in New York. Because the staff is small and overburdened, no further formal distribution was initiated. But they alerted the Office of Education to the committee print so that OE could order additional copies from their funds at a reduced rate. OE sent copies to all institutions of higher education in the country.

In March and April, the Senate subcommittee staff held conferences on student financial aid. In attendance were staff members of the full committee, staff from the offices of Senator Yarborough, Senator Prouty, Senator Dominick, and other subcommittee members, Peter Muirhead and James Moore of the Office of Education, John F. Morse of the American Council on Education, representatives from Treasury, and others. The purpose of the meetings was to consider issues of financial aid, including the CEEB report and the perspectives of the Office of Education, United Student Aid Funds, and other groups.

What Mrs. Green and the House subcommittee had done formally by correspondence with Commissioner Howe, the Senate Subcommittee did in informal meeting. The CEEB report and the Office of Education positions on the report recommendations were discussed. In the recollection of participants, however, other issues, such as the reinsurance proposal, received top priority.

The Senate subcommittee staff's reactions to the report were that it was too conservative in outlook. Charles Lee, the staff member of the Democratic majority on the Committee, saw Kirkpatrick as having the perspectives of a student financial aid officer, with professional and emotional ties to the needs criterion. The senators are student-oriented, with a much less restrictive outlook. The Senate is interested in broadening aid legislation. Over time it has liberalized the provisions of the National Defense Education Act, e.g., extending loan forgiveness to teachers in colleges and universities, in private nonprofit elementary and secondary schools, in overseas schools of the Armed Forces, and providing full forgiveness to teachers in low-income areas and teachers of handicapped children. It has legislated "educational opportunity grants", which are in effect scholarships based on need. Cutback in the forgiveness feature or restrictions on NDSLP were out of tune with the Subcommittee orientation of increasing general support to education.

Nor is the Senate concerned with administrative efficiency at the expense of programmatic effectiveness. Rationalizing and centralizing administration of the loan programs was not viewed as a higher good. The Senate, with its long-run perspective, is willing to tolerate a certain looseness of administration, particularly when programs associated with the names and careers of sponsoring senators remain highly visible.

The CEEB report was seen as competent and well presented. It "received consideration", according to subcommittee staff members, not in political or partisan terms but in terms of the issues facing higher education. Millenson, for the Republican minority, emphasized that the report was not dismissed lightly. However, much of the thinking that had shaped the objectives and issues posed for the study by OE in 1967 was irrelevant to Subcommittee deliberations in the Spring of 1968, as were many of the CEEB conclusions.

The Senate hearings that began in March contained no testimony directly on the study. Mr. Kirkpatrick, the study director, testified before the subcommittee on March 13, but he spoke from his extensive experience and did not mention the study.

Two other witnesses alluded to its findings. Charles W. Walker, executive vice president of the American Bankers Association, cited the data on income level of families receiving guaranteed loans.

> ... If I could steal some figures from a survey Mr. Kirkpatrick made, 58 per cent of 200,000 loans surveyed went to families with $9,000 adjusted income or less. Thirty per cent went to families of $6,000 or less, and 12 per cent to families of $3,000 or less .....*

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* U.S. Senate Hearings before the Subcommittee on Education of

These data, reported in the CEEB study, had been collected and processed by the Office of Education.

Mr. Allen Purdy, director of student financial aid at the University of Missouri and chairman of the National Student Financial Aid Council, in his testimony referred to "Dr. Kirkpatrick's study" as unable to find that teacher forgiveness had actually encouraged students to go into teaching.*

All other references to the CEEB study in the voluminous Senate Hearings record (which ran to 6,584 pages with appendices, 1,780 pages being directly on S. 3098) came from the Department of Health, Education and Welfare concerning the teacher cancellation provision.** In all three messages, the position of the Office of Education and the Department is the same: The CEEB study found the evidence inconclusive on the effectiveness of loan cancellation, and the Department is not recommending its expansion.

There was one interesting exchange between Commissioner of Education Howe and Senator Morse. Asked about extension of forgiveness to the Guaranteed Student Loan Program, Commissioner Howe gave what was now the standard answer.

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the Committee on Labor and Public Welfare, Ninetieth Congress, Second Session, on S. 3098 and S. 3099, Education Legislation, 1968, Part 2, p. 387

* Ibid., p. 398

** Ibid., pp. 299, 543-44, 843.

...We had an independent study made on the forgiveness feature this past year. It is available for the record should you wish to enter it there. The study was done for us by the College Entrance Examination Board on various aspects of loan programs, including this one. The evidence is not conclusive concerning the effectiveness of forgiveness features in bringing about the results that they try to achieve. It is apparently the judgment of most student aid administators in colleges and universities that forgiveness programs are not particularly effective, but that is again a matter of judgment rather than hard evidence.

SENATOR MORSE: I am aware of that study. We have already printed it as a committee print. I thought it was a very worthwhile study. The study itself, however, gives rise to some of these proposals for expansion.*

Senator Morse thus found support in the study for his position of extending forgiveness, even though the recommendation was antithetical. The study, before recommending the elimination of the forgiveness feature, did indeed mention the equity of extending it to other "critical" professional fields and to the Guaranteed Loan Program. And the data could be read as "inconclusive" on the positive side as readily as they could be interpreted as negatively inconclusive. After all, 55 per cent of the institutions of higher education replied that teacher cancellation increased or probably increased the number of students at the institution who went into teaching.

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* Ibid., pp. 543-544

Action on the Higher Education Amendments

March was over and April passing. The loan programs would expire unless new legislation was forthcoming, and neither house had yet reported the education bill out of committee. The chronicle of the next four months will involve (1) House passage of a short form of the Higher Education Amendments dealing only with financial aid, which soon dies, (2) House passage of the omnibus bill with amendments, (3) Senate passage of a rather different version of the bill, and then, faced by impending adjournment for the political conventions and the expiration of current legislation, (4) passage of a 90-day stopgap extension by both houses. In the legislative bustle, the House keeps referring to the CEEB report and incorporating into its bills provisions consonant with the recommendations. The Senate ignores the report and passes contrary provisions.

(1) Short bill. On April 25th, in the House of Representatives, the Committee on Education and Labor reported out H.R. 16729, a new bill that sidestepped the controversies around other educational proposals and provided the necessary monies to continue only the aid programs. The bill extended for two years the student aid programs (NDSLP, work-study, educational opportunity grants, vocational student loan program, and guaranteed student loan program) with minimal

amendment. The bill had been reported by the subcommittee by unanimous vote and by unanimous vote was approved by the full committee.

In the report to the House that accompanied H.R. 16729, the Committee offered a short background of the legislation. It cited the 12 days of hearings during the 1967 session, 4 days of which were concerned exclusively with amendments to the guaranteed student loan program; 13 days of hearings in 1968; numerous communications from college administrators and local lending agencies, and in a sentence by itself:

> The Committee has also given very careful consideration to an extensive study of federally assisted student aid programs conducted by the College Entrance Examination Board.*

One of the main changes incorporated in H.R. 16729 was the increase in the maximum interest in the Guaranteed Student Loan Program from 6 to 7 per cent. The report cites four sources of information. First was the House Subcommittee's own study in 1967; results showed that there was difficulty finding banks that would lend money under the GSLP and that banks said the problem was the interest rate. Second was the CEEB study. Data were cited from the bankers' questionnaire showing that very few large or small lenders find GSL pro-

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* House of Representatives, Report No.1319, Extension of Higher Education Student Assistance Programs, Report to accompany H.R. 16729, p.3.

fitable. The third source of information was the "Barr Study", the review of the GSLP by the interagency committee composed of HEW, Treasury, Bureau of the Budget, and the Council of Economic Advisors, headed by Joseph Barr of the Treasury. Finally, testimony from the hearings was quoted in support of higher returns to lending institutions. The CEEB study, thus, was one of support among many for a position that practically everybody now agreed was necessary.

The bill also adhered to the study recommendation that NDSLP funds not be increased. The amount authorized for 1969 was $200 million, more than the $190 million appropriated for 1968 but less than the $225 million authorized for 1968. The study was not cited. The study, in making its recommendation, was responding to the same financial restrictions that constrained the committee in its budget proposal.

The report to the House also justifies the legislative provision for advanced funding authority (i.e., including appropriations for loan programs in the appropriation acts for the fiscal year preceding the fiscal year in which funds are made available), so that colleges can have early notification of funds available. This provision and its rationale are consonant with the study recommendations, but the study is not mentioned.

On May 9th, the House passed the bill extending the aid programs. In Mrs. Green's statement in support of the bill, she discusses -- as did the report from the committee -- the

ERIC

Subcommittee's own study, the Barr interagency study, the CEEB study, and the hearings testimony. All support the higher interest rate. During the floor debate, Congressman Schwengel, not a member of either the subcommittee or the full committee, cited "a study by the College Entrance Examination Board" on the costs of college for the student. Such information appears in the current report, but the figures are somewhat different. Apparently he was referring to an earlier CEEB publication. No other mention of the report was made on the floor of the House.

So, with amendments growing out of the current anguish over student demonstrations -- barring loans to students convicted of crimes against college property, to students who refuse to obey college regulations and disrupt college administration, and to persons convicted of rioting -- the bill was passed.

There was still the big bill to consider and pass. This included all the controversial features on the loan programs that H.R. 16729 had finessed, as well as titles dealing with work-study and educational grants, cooperative education, libraries, strengthening developing institutions, facilities, etc. The subcommittee, in continuing its deliberations, decided to put the little bill (H.R. 16729) back together with the big bill. The student unrest amendments were the major reason. The subcommittee wanted the opportunity to reconsider, and probably water down, disciplinary amendments that had been added on the floor.

H.R. 16729 was now dead. The student assistance program would make its next appearance before the House as part of the omnibus bill, H.R. 15067.

(2) House passage of the big bill. Titled the Higher Education Amendments of 1968, the bill included the provisions of the earlier version with only minor changes. Again it provided for an increase in the interest rate for Guaranteed Loans to 7 per cent, and again the Committee report cited the CEEB study as one of the sources of support. The bill provided for advanced funding so that commitments to student borrowers could be made in the spring. The amount of total authorization for NDSLP went up from the $200 million of H.R. 16729 to $210 million in 1969, primarily to make NDSLP loans available to vocational school students who were made eligible. For 1970, authorization was $275 million.

Important new provisions appear in the bill. The interest subsidy in guaranteed loans was eliminated during the repayment period; after he graduated, the borrower would pay the full interest. This was an issue which the CEEB study discussed sympathetically but did not take a position on. No questionnaire data were collected relevant to the issue.

The big change was the removal of loan forgiveness for teachers. Here the Committee report relied heavily on the CEEB study. That Mrs. Green and the subcommittee had been resolved to end teacher forgiveness long before the study appeared was a well-known fact. The study gave them prestigious support and a little data.

The Committee Report states:

> The committee has been unable to find statistical information which shows that the forgiveness provision is an incentive to attracting or keeping teachers in the profession. A study of Federal Student loan programs conducted by the College Entrance Examination Board examined the problem. In title III of the study entitled "Summary of Findings and Recommendations", the College Entrance Examination Board recommends that the "teacher cancellation provision should be phased out." This study discusses the teacher cancellation in some detail and reveals that the staff was unable to find any clear-cut evidence that the teacher cancellation provision has materially contributed to an increase in either the number of quality of teachers. The study also discusses the administrative difficulties and confusion caused by the provision ...*

The Committee Report goes on to cite the pilot study of student borrowers from the class of 1965 in the metropolitan New York area.

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* House of Representatives, Report to accompany H.R. 15067, the Higher Education Amendments of 1968, Report No.1649, 90th Congress, 2nd Session, July 8, 1968, p.43

The language in the Committee Report was succinct:

> In discussing the CEEB study, mention was made of the response received to one questionnaire: 91 per cent of the people responding replied that they were not induced to go into teaching because of the teacher cancellation provision.*

The Committee Report also dealt gracefully with the Office of Education paper on the recommendation for loan forgiveness. It quoted the OE statement that

> ... Further study and evaluation of this aspect of the NDEA loan program might be done although the array of attitudes and opinions in the educational community on this point is sharply divided, as for instance, among deans of education, financial aid officers, or loan recipients themselves.**

This was an indication that the Office of Education, which called the CEEB study inconclusive, was not maintaining its old opposition to cancellation. In saying that it had "no additional information or data which will or will not support the recommendation made by the college board," *** the Office of Education could even be suspected of aid and comfort in the effort to end cancellation.

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* Ibid., p.44

** Ibid., pp. 43-44

*** House of Representatives, Special Subcommittee on Education of the Committee on Education and Labor, Higher Education Amendments of 1968, Confidential Subcommittee, Print No.2, 1968, p.24.

In the CEEB report, the House Subcommittee had the first solid information on which to stand. The study was a "salable item", in the words of one informant, that provided justification for the committee's opinions. It was therefore quoted liberally.

The House bill ended loan cancellation for general teaching. On the other hand, it provided for full forgiveness for teachers in slum schools and teachers of the handicapped. This was a modification of the so-called Prouty Amendment (named for the senator who originated it). Its rationale was clear: if loan cancellation was not an effective way of recruiting teachers, it might still be an effective way to affect the distribution of teachers .... and increase the numbers serving the poor. The subject had not been considered in the CEEB Study.

On July 25, the House passed the bill by the lopsided vote of 389-15. The CEEB study was not mentioned. Of the amendments made on the floor, only one concerned the loan programs. This was the amendment introduced by Mr. Scherle of Iowa on student unrest. The committee had left to the discretion of the college the cutting off of federal funds to student rioters. The Scherle amendment required cut-off of loans and loan guarantees, if the college or university determined that the student had "willfully refused to obey a lawful regulation or order" of the institution and "such refusal was of serious nature and contributed to the disruption of the administration". The House was insisting on punishment for disorderly protesters.

(3) The Senate bill. Meanwhile, on the Senate side, the education subcommittee was busy on its own amendments. The CEEB study was nowhere in evidence. No one during these busy days remembers hearing the study even alluded to.

When the Senate bill was reported out of committee, it was so altered from the administration-proposed version, S.3098, that it was re-numbered. It was now S. 3769. The report accompanying the bill made no mention at all of the CEEB study.

Little wonder. The major provisions in the Senate bill ran counter to CEEB recommendations. Teacher forgiveness was not dropped; forgiveness was extended. Teachers in poverty-area schools would have their total NDSLP loan forgiven at the rate of 20 per cent per year. Moreover, a new category of borrowers, entrants into the armed forces, would receive loan cancellation--at the rate of 25 per cent for each year of military service. These provisions were to apply not only to NDEA loans but were extended to the Guaranteed Loan Programs as well. Nor was NDSLP to be held at its present level. The bill authorized $250 million for fiscal 1969, $275 million for 1970, and $300 million for 1971 and 1972. Furthermore, a Presidential commission was to be appointed to submit a plan for providing "universal educational opportunity at the post-secondary level", presumably free to all students.

The bill reached the floor of the Senate on July 15. No mention was made there of the CEEB study. With two minor amendments unrelated to the loan programs, the bill was passed unanimously, 83-0.

By the end of July, there were thus two omnibus education bills. When they were referred to conference committee, there were seen to be approximately one hundred differences between the House and Senate bills. The job facing the conference committee was staggering. And the Congress was to adjourn on August 3 for the political conventions.

(4) Interim extension. The staffs of both committees, aware of the impossibility of reconciling the bills before adjournment, asked the Office of Education what was absolutely essential to pass. The answer: extension of the Guaranteed Student Loan Program, which was expiring. In a few hours a bill was put together to extend the GSLP for three months and raise the maximum interest to 7 per cent. These provisions were substituted in the Senate for the language of the old House-passed bill H. R. 16729. Without debate, both chambers agreed to the interim extension.

ERIC

Passage of the Bill

When the Congress reconvened after the political convention, the Conference Committee returned to work on the "Higher Education Amendments of 1968". In four days of meetings, the last one running on into the night, it reached a series of compromises between the House and Senate versions. During the negotiations, the CEEB report faded from view -- except in one instance. As we shall see, arguments on the issue of loan forgiveness for teaching were so finely matched that the issue teetered in the balance, and the report was brought into the discussion.

The Conference Committee compromised on the amount authorized for the National Defense Student Loan Program. Authorization for NDEA loans was set at $210 million for 1969. This was the figure in the House bill, rather than the $250 million set by the Senate. It exceeded the $190 million appropriated for 1968. Higher sums were authorized for the following years: $275 million for 1970, $300 million for 1971. The CEEB study recommendations that NDEA loans remain at the current level was by now outmoded; in 1968 there was little controversy about a modestly increasing rate of federal expenditure.

The maximum interest rate on insured loans was raised from 6 to 7 per cent. The CEEB study was one input of many that led to what was by now nearly unanimous agreement on

ERIC

increasing the return to banks.

Loan forgiveness was the intractable issue. On two or three different days, the conferees tried to resolve the gaping differences between the House and Senate versions. Finally, they agreed to settle all the other matters and return to forgiveness at the end of their sessions. In the course of the bargaining, the CEEB study was mentioned. Mr. William Gaul, associate general counsel of the House Committee, recalls an exchange between Senator Prouty and Mrs. Green. The senator referred to the study to support loan forgiveness. Mrs. Green's rejoinder was that the very study he was citing ended by recommending that forgiveness be phased out. Apparently, the "inconclusiveness" of the data was reflected in the arguments of this ultimate decision-making body.

It was late at night on September 18 when, after further fruitless discussions, the conferees decided that they could not reconcile the opposing viewpoints. They felt that they had a good bill, and "you can't do everything at once", so they would stay with existing law. Thus, the final bill left the existing provisions for forgiveness basically unchanged. The study had had a chance to influence policy, but in the final event it did not prove persuasive enough.

Two small revisions were made. One, forgiveness was extended for only two years although the loan program was extended for three. This is an indication of the unsettled nature of the settlement. Second, a technical revision was made to allow more than 25 per cent of the schools in any given state to be designated as poor schools, so that teachers in the schools could become eligible for forgiveness, provided that more than half the children enrolled met the proverty criterion.

Other provisions of the final bill that accorded with CEEB recommendations included forward funding, merger of the Vocational Student Loan Program with the Guaranteed Student Loan Program, further seed money to state agencies, federal reinsurance of state loans, eligibility of additional lending institutions such as pension funds, and elimination of the requirement for special consideration in NDSLP loans for students of superior academic background. On most of these issues (except forward funding), there were no relevant data in the study.

The bill ended subsidy of interest during the repayment period. This was an acceptance of the House provision. While the CEEB report had not actually recommended ending the subsidy, it discussed the subject sympathetically and concluded that this was a "matter of possible future consideration".

Several of the important recommendations of the CEEB study were barely considered. The study invested a good bit of effort in making a case for a financial need criterion for guaranteed loans, and for separation of loans of necessity from loans of accomodation. In neither the executive nor legislative branch did this proposal make any headway.*

The recommendation to consolidate administration of all federal loan programs was also ignored. Actually the consolidation issue had been long and carefully considered in the Department of Health, Education, and Welfare. One of the questions posed to CEEB for study concerned the merger of the loan programs, but the department had reached a decision before the study was completed that the health professions and nursing programs should be kept separate from the OE-run programs.

The Conference Committee bill was passed by both houses of Congress. On October 16, 1968, it was signed by the President and became law.

The Role of the Public Health Service

While the Office of Education and the Education Subcommittee of the Congress were acting on the National Defense Student Loan Program and the Guaranteed Loan Program, another federal agency and other subcommittees were at work on revision and extension of the loan programs in the health field. The CEEB study had examined these programs, the Health Professions Loan Program (HPLP) and the Nursing Loan Program (NLP), which were the province of the Public Health Service. But for a number of reasons, the Public Health Service made relatively little use of the report.

The Public Health Service, through its Bureau of Health Manpower, was a part-sponsor of the CEEB study: it paid $35,000

*A late note on delayed impact. William Gaul, after reading a draft of this report, reported in September 1970 that the concept of loans of necessity and loans of accommodation is by no means dead. It is being seriously considered for the higher education legislation of 1970 or 1971. Apparently some recommendations have a longer gestation period than others.

toward study costs. But the initiative was not its own. Direction had come from the Secretary's office. The $35,000 allotment appeared in its budget along with the justifying paragraph:

> A contractual study by the Office of the Secretary will soon be made of all the Department's student loan programs. The study will determine the best methods of minimizing direct Federal loans and maximizing the use of private loan sources assisted by Federal credit such as guarantees and subsidized interest rates. Cost to the student will be maintained at a low level and access to loan assistance will not be impaired by the new method of financing to be developed. The study will also examine problems related to the Federal, State, and local administration of student loan programs such as collection procedures, operational simplicity, and interrelationships with other forms of student financial aid.*

James Lovett, director of the Student Loan and Scholarship Branch within the Bureau of Health Manpower, was involved in early discussions of the study. He sat on the HEW advisory committee that defined the issues that the study was to address. Once the contract was let to CEEB, he participated in the review of early drafts of the questionnaires. His PHS associates recall that he had reservations about the procedures and some of the questions of the study, but he was reportedly told to "go along" with the Office of Education.

When Lovett left his position for a job in the Chicago Regional Office of PHS, his successor was not as closely involved. George Warner became director of the Student Loan and Scholarship Branch in July 1967, when the study was in midstream. He inherited the file folders on the study, but it was his under-

*U. S. Senate, Hearings before the Subcommittee of the Committee of Appropriations, on H. R. 10196, Fiscal Year 1968, Departments of Labor and Health, Education, and Welfare Appropriations, 90th Congress, first session, Part 1, April 10, 1967, p. 1228.

standing that OE was handling relations with CEEB. He was not invited to the October Advisory Committee meeting in New York. Shortly afterward, however, Thomas Brennan, special staff consultant to CEEB, came down to PHS and consulted with Warner and his branch. Marginals of the schools' questionnaire responses on the health professions and nursing loan programs arrived early in November, a month in advance of the Nashes' report. Warner attended the December meeting of the Advisory Committee. The flurry of involvement, however, never overcame PHS's sense that this was OE's study, into which it had been reluctantly dragged.

When the final report came in in January, the first two recommendations were hardly calculated to gain the support of PHS. The recommendations were to merge the operation of all federal loan programs into a single administrative agency and to merge the National Defense, Health Professions, and Nursing Student Loan Programs into one. The Public Health Service, which was obviously not to be the beneficiary of the merger, might be forgiven for viewing the rest of the report with some reservation. Although the staff did not say so directly, there were intimations that they harbored suspicions that empire-builders at OE might have influenced the CEEB to see such recommendations as logical and efficient.

The CEEB study was more cursory in its attention to the Health Professions and Nursing Student Loan Programs than to NDSLP and GLP. Relatively few of the recommendations dealt with the health programs. Besides the first two on the merger, there were seven recommendations that were relevant. They were: revising the institutional allocation procedure for health professions schools, earlier availability of loan funds, consideration of factors to make the revolving fund acceptably operable, proceudres for improving loan collection (although HPSLP and NSLP were too new for collection to be much of an issue), greater uniformity of provisions among loan programs, ending nursing cancellation, and greater efforts to disseminate information on nursing loans. PHS staff viewed most of these recommendations as either superficial or as afterthoughts from the study of NDSLP and GLP; that is, recommendations relevant to OE programs were being tacked on to their programs without any sensitivity to the special needs in the health field. For example, there was reason to believe that nursing students, recruited from lower-income groups than teachers, found loan forgiveness an important incentive to entering nursing.

The Health Manpower Act of 1968

None of the CEEB recommendations was directly incorporated into the new legislation that PHS drafted--the Health Manpower Act of 1968. The bill, introduced into the Congress in March provided federal assistance for health education and training, including extension (with some modification) of the Health Professions and Nursing Loan Programs.

In the Senate, the bill was referred to the Health Subcommittee of the Committee on Labor and Public Welfare. This was the same committee that, through its Education Subcommittee, had had the CEEB report printed as a Senate document. The

Health Subcommittee therefore was aware of the report's existence and its general nature. In fact, Senator Javits, who sat on both the Education and the Health Subcommittees, found support in the report for one of his pet projects. For some time his aide, Roy Millenson, had been pressing for greater consistency of provisions among loan programs. They saw the CEEB report as a tool to prod the Department of HEW to move toward that end. They asked the Public Health Service to comment on the CEEB recommendations regarding consistency. When the department did not come in with much improvement in consistency, Senator Javits brought together the majority and minority members of the Senate committee, staff of OE, PHS, and HEW. He got agreement to a set of amendments to align discrepant provisions. The Javits Amendments to the Health Manpower Act were accepted by the Congress.

The exact provisions recommended by the CEEB report were not always adopted. For example, the report recommended a grace period of four months after graduation before repayment began. The Congress agreed to a period of nine months for nurses (down from one year) to make the NSLP equivalent to the NDSLP, and one year, rather than three years, for health professions students. But the report focused on discrepancies, which the Javits Amendments to some degree resolved. The Health Manpower Act achieved greater conformity in length of the grace period, loan ceilings, minimum repayment, interest rate, and deferment of repayment during VISTA service. Interest rates, for example, were reduced to the level of the NDSLP. As Millenson said, "The report gave us ammunition to hit the department in order to bring the support programs into line."*

The consistency recommendations were the only CEEB recommendations to have an impact. The recommendation that forgiveness of nursing loans be terminated, which was opposed by PHS, was not accepted. In fact, the bill, as passed, liberalized the forgiveness provisions. The total nursing loan could now be cancelled at the rate of 15 per cent for each year of service as a nurse in a hospital in a highly populated area with a "substantial shortage" of nurses. The existing provision, allowing cancellation of 50 per cent of the loan at the rate of 10 per cent a year, was retained for professional nurses employed in any public or nonprofit institution. The CEEB recommendation that administration of all loan programs be consolidated was not considered. The CEEB report was not mentioned in the Senate report on the Health Manpower Act, nor did it figure in debates.

By the time the bill was taken up in the cognizant subcommittee in the House of Representatives (the Public Health and Welfare Subcommittee of the Committee on Interstate and Foreign Commerce), the Javits amendments had already been incorporated. House staff member James Menger had seen the CEEB report and was aware of its recommendations, but since the Javits amendments were already in the bill, he saw no reason to bring the report to the attention of overworked subcommittee members. The loan provisions were only one small part of a large and complex bill,

*Subsequently, when the Higher Education Amendments of 1968 were passed, some of the new consistency disappeared. E.g., VISTA service was not included in the list of grounds for deferment of repayment in HPSL and NDL.

and the changes proposed were relatively minor. Moreover, legislative staff members seemed to have a general skepticism about the practicality of "academic studies." Immersed in practicalities, they are wary of academic preoccupation with theory, logic and neatness.

The House subcommittee accepted the Senate version on the loan provisions. No changes were made by the full committee or on the floor of the House. In August the House passed the Health Manpower Act, the Senate acceded to the House bill, and the President signed the bill into law.

Chronology - Phase III

Decisions Are Made

Congress	Office of Education	College Entrance Examination Board	Bureau of Applied Social Research
1968			
Feb. - Higher Education Amendments of 1968 introduced into House.		Feb. - Sends copies of report to House and Senate subcommittees on education.	
March -Bill introduced into Senate.	March-OE takes position on CEEB recommendations	March-Kirkpatrick testifies before House and Senate Subcommittees.	
Senate prints CEEB report as government document.			
Feb.-March-Hearings in both houses.			
March-Health Manpower Act introduced.			
May-House passes extension of loan programs.	May-Mails CEEB report to colleges and universities.		
June-Senate passes Health Manpower Act.			
July-House passes Higher Education Amendments of 1968. Senate passes its version.			
-Both houses pass interim extension of Guaranteed Loan Program for 90 days.			
Aug.-House passes Health Manpower Act. Senate concurs in House version. President signs.			
Sept.-Conference Committee reconciles divergent bills; both houses pass the Higher Education Amendments.			
Oct.-President signs the bill.			

Scoreboard: Did Survey Data Increase the Utilization of the Study Recommendations?

With the decisions on loan legislation made (at least for the next two or three years), it is possible for us to examine the question of whether the survey data had an impact on policy. Because some CEEB recommendations were backed by quantitative data and others were not, we can compare the fate of the two sets of recommendations to see whether this kind of research backing increased the likelihood of utilization. Figure 3 presents the relevant information.

Figure 3, and Figure 4 which summarizes the information, show that in this case it made little difference whether or not there were data to support the recommendation. One of the three recommendations supported by research findings, and one out of three recommendations with no research support, received Office of Education acceptance. Identically, one out of three recommendations supported by research findings and one out of three with no research support, were enacted into law.

On the other hand, where there were data antithetical to the recommendation, none--out of four--was enacted. It may be doubted, however, that this indicates the reverence of the Congress for research. Some of the inaction on survey-contradicted recommendations was happenstance. The increase in NDSLP was made possible by the loosening of the budget restrictions. The lack of consolidation of loan program administration probably reflected Congress' disinclination to meddle with executive administrative arrangements that were functioning adequately. Teacher forgiveness was a near thing.

Figure 3

Fate of Twelve Controversial Recommendations of the CEEB Study That Required Legislative Action

Recommended by CEEB	Supported by survey data?	Accepted by Office of Education?	Passed by the Congress?
Financial need should be a criterion for GSL.	Yes	No	No
Colleges should determine who receives GSL and recommend amount.	Yes	No (although they can and should be consulted)	No
Banks should receive higher return than 6 per cent.	Yes	Yes	Yes
Grace period should be shortened after graduation.	Some support	Yes, but not proposed in the Administration bill	In health programs only and then not drastically
States should set up central service division or pool of credit for students having difficulty obtaining guaranteed loans.	Some support	No--very ineffective	Direct federal insurance made available to meet such problems
Loans of accommodation for non-needy families should be separately administered.	No data	No	No
Removal of interest subsidy during repayment period might be considered for the future.	No data	Yes--will consider	Yes--subsidy eliminated
Combine 6 loan programs into two.	No data	No	No
All loan programs should be administered in one federal agency.	Some contradiction	Not at this time	No
NDSLP should not be cut or increased.	Some contradiction	No	No
Loan forgiveness for teachers should be ended.	Some contradiction	OE said data inconclusive; did not recommend	No
Loan forgiveness for nurses should be ended.	Some contradiction	Did not comment on PHS program. PHS opposed.	No

Figure 4

Relationship of Research Support
to Enactment of CEEB Recommendations*

CEEB recommendation was:	Passed into law	Not Passed
Supported by data	1	2
No data	1	2
Contradicted by data	-	4

*Two recommendations, grace period and state credit pool, are not included because they defy classification.

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On balance, the surveys do not appear to have made much difference in utilization. But two qualifications should be added. The recommendations that lacked survey support were based on CEEB's own fact-gathering and opinion-gathering interviews and meetings. As such, they were not markedly different in origin from the survey-supported recommendations. Secondly, as indicated on page 64, even the strongest and most relevant survey backing for a recommendation in this study hardly constituted conclusive evidence. At worst, the survey support was tangential and inferential; at best it was based on the opinions of respondents whom some deemed insufficiently informed to have the final say.

Other Effects of the Study

If the study had some limited effects on the 1968 legislation, it also had other consequences. It informed staff members of the Office of Education's Division of Student Financial Assistance and the Public Health Service's Student Loan and Scholarship Branch of the views of institutions affected by the program. Several staff members in both PHS and OE turned to the computer tables, the detailed cross-tabulations, to help understand who was satisfied or dissatisfied with various aspects of the programs--by state, size of institution, type of program, auspices.

There were a good many detailed questions in the questionnaires that provided important information. For example, institutions of higher education were asked how they determine a student's financial need, what their criteria are for awarding NDEA loans and educational opportunity grants, whether they make repayment arrange-

ERIC

ments for loans before the student leaves school, how often they bill, whether they assess penalty charges to delinquent borrowers, whether they release transcripts of students delinquent in repayment, whether they use collection agencies, etc. Much of the data was closely analyzed by staff, so that it contributed, to some degree, to better informed management of the programs.

Although they find it hard to point to any administrative decision that was directly influenced by the study, officials indicate that they benefited from the study data. Dr. Peter Muirhead, Associate Commissioner for Higher Education, thinks that administratively the study was particularly useful in highlighting the characteristics of students obtaining assistance, in collecting data on the packaging of loans with Educational Opportunity Grants and College Work-Study, on problems between OE and state agencies, and on the unavailability of guaranteed loans to out-of-state and part-time students. As Dr. Halperin said, had there been any real scandals--say, NDEA loans going in large numbers to middle-income students--immediate and drastic action would have been taken. But there were no real surprises in the report. The programs were working well. Even the Guaranteed Loan Program, which was signed into law only on November 8, 1965 and was very new in operation, was succeeding relatively well. So the kinds of administrative steps called for were small and undramatic. But for the managers of the programs, the report was useful nonetheless.

The Public Health Service staff also used both the report and the more complete Nash data in analyzing current practice and attitudes in health professions and nursing schools. They found it very useful to learn the criticisms and comments of their constituents.

The Office of Education has already used the study in connection with proposals of other agencies that affect the NDEA loan program. Over the years there have been many proposals to extend loan forgiveness to scarcity professions besides teaching and nursing. The latest was incorporated in a bill sponsored by the Department of Defense, which provided loan forgiveness to men who become Army officers. The Bureau of the Budget consulted OE on the provision. OE, leaning on the CEEB study, replied that there is no conclusive evidence that forgiveness increases the supply of teachers, so it is not likely to work for Army officers. The Bureau of the Budget then did not clear the bill as an Administration bill.

Copies of the study were mailed to every institution of higher education in the country by the Office of Education. To the extent that financial aid officers learned more about current practices, alternatives, and proposals for improved administration, it is at least remotely possible that the study helped them in their practices. It is more probable that filling out the questionnaire had an impact. Financial aid officers at every institution of higher education were asked to complete the study questionnaire, and as Patricia Nash suggests, the very consideration of the question is likely to have an educational effect. It would no doubt be difficult to locate and identify changes in the practice of any financial aid officer stemming from confrontation with the questionnaire or with the report. But the possibility of such changes exists.

Banks, too, were not unaffected. Mr. Kirkpatrick recalls receiving an inquiry from the officer of a Virginia bank who had read about the study in a publication of the Boston Federal Reserve Bank. He wanted to learn more about the Guaranteed Loan Program and his bank's possible participation in it.

As for further policy impact, it is certainly possible that the study will be referred to in future years as new legislation is considered. Roy H. Millenson, Minority Clerk of the Senate Subcommittee on Education, said, "There are always a few nasty people like me around who keep old reports and bring them up." He suggested that much depends on the election and on changes in personnel. If the next Commissioner of Education served on the CEEB study Advisory Committee, he may come in strongly committed to some of the study's views.*

Members of OE staff feel, too, that the study will have influence in the future. They say that in some areas it provides the best data to date and will keep being referred to.

Members of the Public Health Service staff also expect to use the report further. One use they foresee is to meet, in part, the requirement of the Health Manpower Act of 1968 that calls for "appraisal of the programs . . . in the light of their adequacy to meet the long-term needs for health professionals . . ." by July 1, 1970. The CEEB study gives some information on what health professions schools are currently doing and provides a baseline for study of changes in ensuing years.

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*William Gaul's report of the surfacing of the distinction between loans of accommodation and loans of necessity in 1970 (see footnote, page 104) is an illustration of later utilization of the study report.

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Chapter . IV

CONCLUDING COMMENTS

Amid all the complexities in the situation, there were certain factors that fostered utilization of the CEEB study. First was the nature of the College Entrance Examination Board itself. It is a prestigious organization recognized as a legitimate spokesman for the interests of the higher education community. It had, with the Bureau of Applied Social Research, done previous research on financial aid that was well received. Its staff, advisors, and consultants were knowledgeable, often recognized and respected authorities in the field.

However, in some respects the "educational identification" could have been a handicap. Those persons whose constituents were not institutions of higher education (e.g. staff of the Insured Loans Branch of OE who deal with banks, Senators, Representatives, staff of the Public Health Service) occasionally had twinges of suspicion that because of CEEB's character and history, colleges were being overrepresented at the expense of other groups in the system. There was an occasional worry that CEEB would "play it safe" so as not to antagonize its constituent institutions. Voiced once or twice was the suspicion that OE was calling the shots too closely, with a view to shaping the nature of the conclusions. CEEB might stand still for this because they have to maintain a continuing relationship with OE in the course of many of their operations.

As it turned out, none of these incipient suspicions had much of a career. The battle lines were never drawn in terms of educators vs. everybody else. Early doubts about fairness and neutrality evaporated.

Another support for the study came from its agreement with the results of an earlier questionnaire survey conducted by Mrs. Green's subcommittee.* The tenor of these results closely paralleled the much larger inquiry of CEEB and lent credence to both sets of data.

The style of the CEEB report can be credited with some positive reactions. Although not many people read the whole report unless their job required them to, the style was clear and readable, and the organization of the report around the recommendations facilitated easy referral. This was lay language, designed for a lay audience, written by Kirkpatrick with an eye on the needs of the client. The original questions of the study were not bent or subverted by research professionals writing for a professional research audience. Nash comments, "No one asked: What is sociological about this?" The study served the purposes for which it was funded, rather than as a source for academic prestige and rewards.

In its concentration on the client's questions, the study never stepped back and took a look at the issues from a higher level of abstraction. It did not reflect either a theoretical sense of structure and process, nor did it deal with the overarching political concerns. For example, it did not consider such larger and important issues as ways of financing higher education over the long run--and how student loans figured in the pattern. It looked at practical issues, operational issues, not at what was <u>the</u> best approach to assistance. Because of its practical stance, the study avoided some of the political hot potatoes. It gained in "objectivity." It may well have lost in relevance and long-run influence.

That the conclusions of the study were largely favorable to the

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*House of Representatives, Report of the Special Subcommittee on Education, Study of the United States Office of Education, 89 Congress, 2nd session, 1967, pp. 141-201, 471-584.

federal loan programs certainly had some effect on utilization. They evoked little resistance from staff and legislators committed to the programs. On the other hand, neither did they provoke any immediate and active response. The programs were functioning well enough, according to the study, to need relatively little change. Legislators found it hard to see much real pay-off in the lives of people by tinkering with minor provisions of the law.

One of the factors that Kirkpatrick cited as fostering use of the study was the government's need for answers. Questions were pending, and the "users" were waiting for results to come in. In actual fact, the users were not waiting in quite such breathless anticipation as the OE task statement suggested. Staff work was not halted while the study was in progress. In fact, some of the most basic decisions on the programs were made before the data were in: merger of loan administration was dropped, 1968 legislation was drafted. The frame of the debate was changed during 1967, so that phasing out of NDSLP, which was initially a major issue for the study, became irrelevant. In January, 1968, the report was answering some questions that no one was asking and fighting some battles that had faded from sight.

The timing of the study was poor from the point of view of the legislative planning cycle. Had it been completed four months earlier on the schedule originally proposed, it would have arrived when new legislative proposals were being prepared. There is little question that it would have been used more extensively in developing and legitimating legislation.

Nevertheless, many of the issues were still alive and pressing. If the users were not avidly expectant, they were still interested. The history of some of the provisions (e.g. teacher cancellation) bears witness to the fact that relevant data were pounced upon and cited repeatedly.

The ability of the study to change opinions is nowhere in evidence. Its capacity to reinforce existing positions is repeatedly seen. Senator Javits found support for conforming provisions. Mrs. Green found support for ending teacher cancellation, OE found support for quietly easing out from teacher cancellation, Senator Morse found support for extending cancellation. Bankers found support for higher interest rates.

In some cases the study identified problems, and new solutions were found. One example: out-of-state students had a lot of difficulty getting guaranteed loans. The Higher Education Act of 1968 has a new provision to remedy the situation. In cases where the borrower, by reason of his residence, does not have access to the state's GSLP, the Commissioner of Education can insure the loan directly.

Would the study have had greater impact if it had collected more objective, rigorous evidence? Asked this question directly, most informants begged the question by saying that, given the newness of the programs and the restrictive time schedule, the study was the best that could have been done. Several informants claim that harder data would have strengthened the influence of the study. It would have given proponents of positions better ammunition and might have had significant consequences, such as ending teacher forgiveness. The most outspoken informant claims that it was on the forgiveness issue that the study had its main chance of influencing events because the pro and con positions were so evenly matched. By relying so heavily on opinion, it muffed its chance.

Whether any study can alter commitments based on strong ideological considerations remains moot. Stember in a recent article on evaluating classroom integration makes explicit what many people suspect.* Evaluation of

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*Charles Herbert Stember, "Evaluating Effects of the Integrated Classroom," The Urban Review, Vol. 2, June 1968, pp. 3-4, 30-31.

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the balanced classroom, he says, is not likely to show positive results on racial attitudes. Whether or not it shows that learning improves, or at least does not decrease, "remains inconclusive." But why should decisions be affected by poor evaluation results on criteria of either racial harmony or learning? Integration is ethically and legally right as a principle of democracy.

In just such ways can the basic rationale be shifted on any question. If loan forgiveness does not increase the supply of teachers, it can still be justified as rewarding members of low-paying but vital professions, or as a step toward free higher education for all. Research results that conflict with strong commitments or strong interests of actors in a social system are unlikely to make much headway unless aided by strong allies. In this case, allies existed ready-made. It will be important to see, in other cases, what it takes for research to create allies (out of neutrals, out of opponents) who will utilize its conclusions.

APPENDIX A

TASK STATEMENT FOR THE STUDY OF FEDERAL LOAN PROGRAMS

A. Federal Policy on Student Loans

1. The Federal Government, as a matter of public policy, has fostered student loans as a principal means of providing assistance to needy students, and is now extending benefits of loans to students from middle-income families not previously eligible so that additional students will attend college.

2. The Federal policy is to minimize direct loans financed from the Federal Treasury, and maximize loans through private financial sources assisted by Federal credit such as guarantees and subsidized as to interest rate in order to keep the cost to the student low, and minimize the difference in cost to the student between a direct Federal loan and guaranteed loan.

3. The Federal Government has provided for student loans under--

(a) Public Law 85-864, title II of the National Defense Education Act of 1958, the NDEA student loan program;

(b) Public Law 88-129, title III, part C, of the Public Health Service Act, as amended, the health professions student loan program;

(c) Public Law 88-581, title VIII, part B, of the Public Health Service Act, as amended, the nursing student loan program;

(d) Public Law 89-329, title IV, part B, of the Higher Education Act of 1965, Federal, State, and private programs of low-interest loans to students in institutions of higher education;

(e) Public Law 93-287, the National Vocational Student Loan Insurance Act of 1965, Federal, State and private programs of low-interest loans and direct Federal loans to vocational students;

(f) Public Law 87-510, Refugee and Migration Assistance Act of 1962, U.S. loan program for Cuban students.

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B. Objective of Study of Federally Assisted Student Loan Programs

This study is to gather information and evaluate factors bearing on the organizations and operations of federally supported student loan programs in relation to the policy guides given above. The evaluation will cover administration of the student loan programs, the problems of student loan collections, and other significant areas of student loan operations. In total, the study will develop and propose measures to make federally assisted student loan programs best serve the Nation's broad educational objectives.

To the extent these measures call for revisions in existing legislation specific phasing plans for the transition will be formulated for action on a step-by-step basis to avoid any setback or disruption in meeting this expanding need for student financial aid.

The optimum operational conditions desired from the federally assisted student loan programs will--

(1) assure students eligible under Federal policies access to loans to be used to enter upon or further their college education;

(2) provide maximum administrative simplicity with the cost of operation of the program held to an economical level;

(3) assure a businesslike approach that will result in collection of loans with minimum collection losses;

(4) create effective administrative relationships and harmony among the parties; that is, the Federal Government, the educational institution, the State or private guarantee agency, and the lender, in meeting the needs of the student;

(5) facilitate maintenance of appropriate interrelationship with all other forms of student financial aid, scholarships, grants, work-study or other student employment programs, or precollege savings programs.

C. Key Study Problems

The study of student loans should--

(1) determine appropriate administrative structure, responsibilities, relationships for Federal participation, including measures for effective decentralization of operations in student loan programs through involvement of State and private nonprofit institutions, educational institutions, direct or indirect Federal involvement with lending institutions, or some combination of these arrangements;

(2) consider the operating responsibilities of the educational institution, the lending institution, the loan guarantee agency (Federal or non-Federal) in financial dealings with the student borrower. Among the factors involved for which responsibilities among the parties are to be determined are (a) financial eligibility, (b) amount of loan, (c) disbursement of loan funds, (d) repayment arrangements, (e) collections, (f) determination of default, (g) application of penalties and default provisions, and (h) institution of guarantee provisions;

(3) examine alternative arrangements for administration of the student loan forgiveness because of teaching, practice of medicine in rural areas, or other elements of public services which the Congress has determined to be eligible for forgiveness;

(4) assess factors affecting supply of private credit to meet needs of applicants for student loans, and evaluate measures to increase supply of credit, including, among others, interest rates, reserves to meet defaults, coverage of guarantees, eligibility of student loan obligations for discounting in the credit market, repayment conditions, streamlining administrative processing and reporting;

(5) assess existing restrictions facing educational institutions in

borrowing for purposes of financing student loans with Federal guarantee of repayment of principal and interest. Propose measures to assure that loans under credit shortage conditions will be made to applicants having greater needs, giving consideration to modifying eligibility standards for Federal loan assistance, including availability of liquid assets of the family, as well as income in determining eligibilities, use of sliding scales of Federal assistance related to financial conditions of family, or other means of establishing priority or preference for student loan applicants in need; and

(6) examine special problems of and propose measure for assuring private credit to minority groups, and students from families without favorable or established credit records.

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APPENDIX B

Successive Drafts of Recommendations of the Study of Federal Student Loan Programs on the Guaranteed Student Loan Program

OCTOBER 9	OCTOBER 20	DECEMBER 6	FINAL REPORT
Direct federal insurance where there is no effective state plan militates against state funding of guarantee agencies, and in all cases works against appropriation of state funds.	Direct federal insurance has been a deterrent to action in many states. *End direct federal insurance after June 30, 1970. *Bring in incentives to encourage strong state agencies: -Enact proposed 80% federal reinsurance plan. -Make additional seed money available to the states. -Task force should visit states with weak or no guarantee agency to explain methods.	Strengthen state agencies. *End direct federal insurance after June 30, 1970. *Bring in incentives to encourage strong state agencies: -Enact proposed 80% federal reinsurance plan -Make additional seed money available to states -Consider federal sharing of costs of administering state program.	Strengthen state agencies. *End direct federal insurance after June 30, 1970. *Bring in incentives to encourage strong state agencies: -Enact 80% federal reinsurance. -Make additional seed money available to states -Consider federal sharing of costs of administering state programs -Hold conferences on GLS with state officials.
Lack of financial need criterion in GSLP prevents lending institutions from using limited funds for the more needy students. Threatens to dry up available credit.	Financial need should be a criterion of GSLP.	Financial need should be a criterion of GSLP.	Financial need should be a criterion of GSLP.
Loans of convenience should not be charged as federal aid to higher education. Such loans "will be taken advantage of and used for other than educational expenses.	Separate loans of necessity from loans of accommodation. The latter should be administered by a separate federal agency.	Separate loans of necessity from loans of accommodation. The latter should be administered by a separate federal agency.	Separate loans of necessity from loans of accommodation. The latter should be administered by a separate federal agency or through direct federal insurance.
Colleges and universities should have the responsibility for meeting financial needs of needy students.	Colleges and universities should be responsible for determining which students should receive GSL and recommending how much they should get.	Colleges and universities should be responsible for determining which students should receive GSL and recommending how much they should get.	Colleges and universities should be responsible for determining which students should receive GSL and recommending how much they should get.

APPENDIX B - continued

OCTOBER 8	OCTOBER 20	DECEMBER 4	FINAL REPORT
Loans at 6 percent are not profitable for many lending institutions	GLP cannot be soundly based unless loans are put on a profitable or, at least a break-even basis for lending institutions.	Loans should provide a reasonable profit to lending institutions.	Loans should provide a reasonable profit to lending institutions.
Loans are not available in many cases because many banks don't participate, banks have loaned their maximum, they require an established account or relationship with the lender, they discourage students from low-income families and racial minorities, and/or state residency requirements rule out loans for out-of-staters.	A study should be made of factors to be considered in projecting demands for loans under GLP. Clear-cut need to broaden sources of loan funds, e.g. pension funds, insurance companies, college funds, revenue bond issues, state credit pool, etc. States might set up a central service division, or central pool of credit to handle special cases.	A task force should identify elements to be considered in projecting need for funds and each state should prepare 5 year projections. OE should enter into agreements with insurance companies, credit unions, universities, to increase loan funds. States should be encouraged to set up central service division, or central pool of credit, to provide loans for students having difficulty obtaining loans.	A task force should identify elements to be considered in projecting need for funds and each state should prepare 5 year projections. OE should prepare projections of demand for student loans for next 5 years with assistance of state agencies and institutions of higher education. OE should enter into agreements with insurance companies, credit unions, universities, to increase loan funds. States should be encouraged to set up central service division, or central pool of credit, to provide loans for students having difficulty in obtaining loans.
		States should be advised of methods for providing new and supplementary sources of funds.	States should be advised of methods for providing new and supplementary sources of funds. States should make greater efforts to gain increated participation by lending institutions.

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APPENDIX B - continued

OCTOBER 9	OCTOBER 20	DECEMBER 4	FINAL REPORT
(Nothing on occupational forgiveness)	Loan forgiveness for teachers is difficult to administer. To add it to GLP would be "very burdensome." Questions have been raised about removing it from NDSLP because it is difficult to prove that it attracts individuals to teaching and because other professions want cancellation.	Occupational forgiveness, especially teacher forgiveness, should not be extended to GLP.	Do not extend forgiveness to GLP. Eliminate occupational forgiveness for teaching and nursing from NDSLP and NSLP.
(Nothing on interest subsidy)	Some advocate removal of interest subsidy during the repayment period. Removal would increase the incentive to repay promptly.	Reexamine and consider ending the interest subsidy during the repayment period.	Removal of interest subsidy during the repayment period is a matter of possible future consideration.
	Institutions of higher learning would like GSL eligible for matching with educational opportunity grants.	Make GSL eligible as matching funds for educational opportunity grants.	Make GSL eligible as matching funds for educational opportunity grants.
	Proposed merger of Vocational Student Loan Program and GSL is very desirable.	Enact proposed merger of VSLP and GLP.	Enact proposed merger of VSLP and GLP.
	Larger banks think the grace period should be reexamined and recommend reduction to 90 days after graduation.	Shorten grace period.	Shorten grace period to four months.
	Educational institutions favor a change in the once-a-year disbursement of GSL to each semester, trisemester, or quarter.	Make loans payable in two installments a year.	Make loans payable in two installments a year.
	Payment of GSL directly to students is criticized by many colleges and universities. Maybe GSL should be mailed directly to the institution.	Loans should be sent to the student in care of the institution.	Loans should be sent to the student in care of the institution.

APPENDIX C

FORTY-FOUR CELB RECOMMENDATIONS CLASSIFIED BY DEGREE OF SURVEY SUPPORT

Supported by the Survey

Financial need should be a criterion for GSL.

Colleges should determine who receives GSL and recommend amount.

Banks should receive higher rate of return on GSL.

Forward funding by Congress to allow earlier notification to institutions of amount of loan funds.

New maximum loan limits.

Some Support from the Survey

Shorten grace period after graduation to 4 months for all loan programs. (Half the banks say 10-month grace period not excessive for GLP, but 3/5 of large commercial banks who do most lending say it is. Colleges weren't asked.)

Encourage states to set up central service division or pool of credit for students having difficulty obtaining loans. (Survey documented problem, not solution.)

Simplify and standardize reporting procedures. (Colleges weren't very dissatisfied.)

Extra-legal loan restrictions on NDSL should be discouraged. (Survey showed only that restrictions exist.)

Change procedures in GLP, e.g. send money care of college, make payments twice a year. (Colleges favored, banks split.)

Strong encouragement should be given to use of centralized collection agencies for NDSL, HPSL, NSL. (Half the schools favored, but few used or were considering use.)

States should encourage greater participation in GLP by lenders.

Survey Irrelevant

Separate loans of accommodation from loans of necessity and administer the former separately. (Follows from need criterion for GSL <u>if</u> middle-income families are to be served.)

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Change federal allocation formula for NDSLP.

Work toward standardization of policies among the states with regard to GLP.

Study the impact of borrowing.

Colleges should have adequate aid staffs, OE should offer training.

OE should make 5-year projections of need for loans.

Task force should identify elements involved in forecasting, states should make projections for 5 years of future loan requirements.

Hold meetings to increase attractiveness of revolving fund for loans.

Strengthen state agencies by federal re-insurance, further seed money, lapse of direct federal insurance, etc.

Consider ending subsidy of interest in GLP during repayment period.

Enable OE to enter into agreements with nationwide insurance companies, credit unions, etc. to increase participation of lending institutions.

GSL should be eligible for matching with Educational Opportunity Grants.

Merge Vocational Student Loan Program with GLP.

Revise method for computing loan delinquency.

Adopt effective write-off procedure.

Do not extend forgiveness feature to GLP.

Make loans available to half-time students.

Numerous deferment provisions should be standardized.

Interest payments should be standardized.

Reinbursement to institutions for administrative expenses should be provided.

Provisions affecting cancellations and late payment charges should be standardized.

Merge Cuban Loan with other programs.

Procedure for allocating NDSLP funds should be revised.

No state allocation should be allowed to lapse.

Special consideration for superior students in NDSLP should be eliminated.

Revise institutional allocation procedure for HPSLP.

Disseminate information about availability of nursing loans.

Combine six loan programs into two.

Contradictory Evidence from Survey

Centralize all loan program administration in one federal agency. (Health professions and nursing schools satisfied with PHS.)

NDSLP appropriation should not be cut or increased. (Schools wanted larger appropriations.)

End loan forgiveness for teachers. (Schools favored forgiveness; borrowers said forgiveness not a motive for teaching.)

End loan forgiveness for nurses. (Nursing schools favored forgiveness.)

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